McKinsey & Company

Social Responsibility Report 2020

Delivering on our purpose

As the coronavirus crisis strained healthcare systems, colleagues like Dr. Marie-Renée Lajoie took leave from McKinsey to help on the front lines

Our purpose as a firm is to help create positive, enduring change in the world.

Many of the photos throughout this report feature McKinsey colleagues around the world and our nonprofit partners' staff, volunteers, and beneficiaries. Thank you to Feeding America, Generation, International Rescue Committee, Juntos, Rethinking Recycling, and The Trinity Challenge. Additional imagery throughout the report is courtesy of Getty, Shutterstock, South Pole, and Unsplash and is noted. Logos and icons are the property of their respective trademark owners, and their use does not imply endorsement.

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A letter to all our stakeholders

This report serves as our third Communication on Progress, and we have aligned our work with many of the UN Sustainable Development Goals. We remain committed to help address societal challenges and to report on our progress as a participant and supporter of the UN Global Compact and its Ten Principles.

When the pandemic took hold across the globe, McKinsey Global Institute (MGI) articulated a dual imperative for all leaders: to save lives and safeguard livelihoods. As I look back on 2020, I am immensely proud of the way that McKinsey colleagues rose to the challenges presented by the pandemic while confronting the many other issues that emerged during a year like no other.

On issues from COVID-19 to racial equity to climate change, our 34,000-plus colleagues came together through acts big and small to deliver on our purpose of helping to create positive, enduring change in the world. The cover of this report, for example, shows one of the hundreds of colleagues with medical training who, with the support of the firm, voluntarily took leave to join others on the front lines to combat the virus.

As the pandemic evolved into a devastating, once-in-a-century health crisis, we launched our COVID Response Center to support efforts to safeguard lives and livelihoods. With 34 million views, our more than 600 COVID-related publications helped inform leaders and others as they looked for answers to questions they never expected to face. Throughout, we were there for our clients, supporting them as they navigated a uniquely perilous and uncertain period. In almost all cases, this meant helping them reimagine themselves for the next normal, whether their challenges related to their very survival or new pathways to growth in a post-pandemic world.

When the health crisis was joined by a moment of reckoning in racial inequity, we moved quickly. In June 2020, we released our 10 Actions focused on advancing racial equity within our firm, with our clients, and in our wider communities. We created the Black Leadership Academy, a dedicated McKinsey Academy virtual leadership program, and made it available at no cost to our clients. Since launching in September 2020, we have trained more than 7,000 participants from 350 organizations and have confirmed more than 10,000 additional attendees.

We redoubled our environmental efforts, launching McKinsey Sustainability with the goal of helping all industry sectors halve carbon emissions by 2030 and achieve net-zero climate impact by 2050. As a firm, we have made our own commitment to reach net-zero climate impact by 2030.

We are proud of the progress we have made and, drawing on the values on which our firm was founded almost 100 years ago, we are committed to raising our ambitions. We have evaluated and updated our governance processes, including the policy that determines the clients we will and will not serve, and on what topics. We have set a goal of providing $2 billion in cash and in-kind support to social responsibility efforts by 2030. We will continue to reflect on the work we do, to find new opportunities to support our people, and to build a more inclusive and sustainable firm.

The stories in this report remind me of the way our colleagues brought McKinsey's purpose to life in the past year, renewing my optimism for what's possible when we are confronted by unprecedented challenges and respond with the best of our skills—and spirit. I hope they are similarly inspiring for you.

Kevin Sneader
Global Managing Partner
McKinsey & Company

Our firm

McKinsey & Company is a global management consulting firm committed to our purpose of helping create positive, enduring change in the world. Operating across more than 130 cities and more than 65 countries, our mission is to help our clients make distinctive, lasting, and substantial improvements in their performance and to build a great firm that attracts, develops, excites, and retains exceptional people.

Meet our leadership

1926

Founded by James O. McKinsey

1954

First pro bono work, establishing a firmwide commitment to society

$700+ million

invested annually in capability and knowledge development

222,000+

hours dedicated to social responsibility initiatives

34,000+

employees globally

130+

cities

65+

countries

600+

nonprofits supported through pro bono service, board membership, and volunteering

40,000+

alumni working in every business sector in 120 countries

46%

women globally

Reflections on 2020

Safeguarding lives and livelihoods

Amidst one of the worst humanitarian and economic crises, we worked to address multiple challenges unfolding globally and in our communities. We are proud to have helped clients in the private, public, and social sectors respond to the highly complex challenges presented by COVID-19, from helping organizations keep their businesses running to working with education systems on learning continuity and support, especially for vulnerable students. We also worked with health systems to support their direct response in areas such as data modeling for scenario planning, operational changes to expand capacity, and improving procurement of critical supplies. We provided donations and pro bono support to organizations supporting communities and individuals most affected by the pandemic's broader impacts, on issues including food insecurity, underemployment and unemployment, remote-education access, and public health, among others. Throughout, we developed and publicly shared new insights to help leaders understand the lasting effects of the pandemic and identify opportunities to transition to a post-pandemic world. Finally, we supported our own employees by providing flexible working arrangements, leaves of absence, and backup child- or eldercare solutions to help our colleagues balance their home and work commitments.

1.8 billion

people reside in countries where we are supporting governments on their COVID-19 efforts

35+

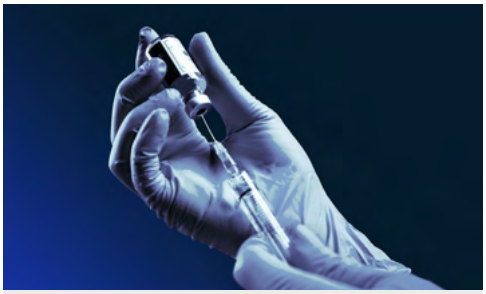
national governments served

50+

social-sector institutions served

Committed to the Open COVID Pledge to freely share our relevant intellectual property for the purpose of helping mitigate and end the COVID-19 pandemic

OPEN COVID PLEDGE



600+

COVID-related articles and reports published

260,000+

healthcare workers upskilled by a coalition formed by Generation, a nonprofit founded by McKinsey

Reflections on 2020

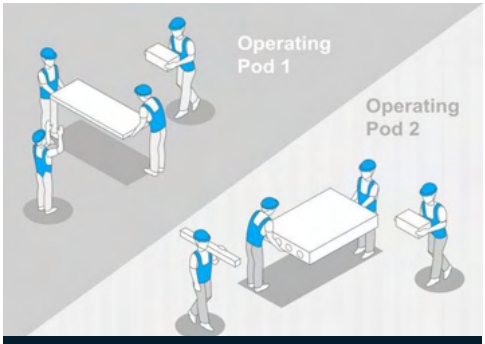
Safeguarding lives and livelihoods

COVID Response Center

Launched in April 2020, the COVID Response Center (CRC) supports new types of collaboration and knowledge sharing by helping decision makers across the public, private, and social sectors guide their institutions through the next normal. The CRC is an openly accessible, digital environment that brings together McKinsey's latest insights, tools, and resources to help leaders in organizations and communities safeguard lives and livelihoods. The CRC features more than 120 pieces of content, curated through sections that include "Leadership mindsets," "Interactives," and "Response tools."

Our interactives bring McKinsey insights to life, helping inform leaders to make decisions by sharing a fact base with easy-to-navigate data visualizations of the public health, economic, and human impact of the COVID-19 crisis.

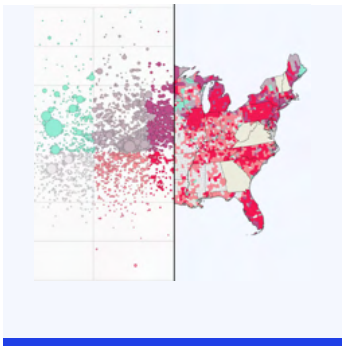
- Explore our data tracking the impact of COVID-19
- Read more about McKinsey's work to protect vulnerable communities during COVID-19
- Hear from leading voices on their pandemic response



Reopening workplaces

We published an extensive collection of safety best practices that organizations in the private and public sectors were planning for bringing employees back to workplaces.

We interviewed top leaders in the public, private, and social sectors, including Sir Mark Lowcock, UN Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, with insights on the impact of the pandemic on global economic and social well-being, and Katie Fitzgerald, COO of Feeding America, addressing the challenge of meeting an extraordinary demand for food.



25+

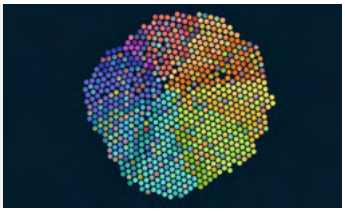
dynamic interactives with easy-to-navigate data visualizations of the public health, economic, and human impact of the crisis

1 million+

views, visitors, and downloads

The Emotion Archive

An interactive ethnographic exploration of the emotional impact of the COVID-19 crisis on individuals around the world.



Reflections on 2020

Working toward racial and social equity

In 2020, we reflected on the events unfolding in our communities and listened to the voices of our diverse colleagues to shape our commitment to do more to work for racial and social equity—within and beyond our firm. In June, we made a public commitment to 10 Actions to promote anti-racism and racial equity with our clients, in our communities, and within our firm. We focused on advancing Black leadership: since September, we have trained more than 7,000 executives from more than 350 organizations through our Black Leadership Academy, provided at no cost to participants. We held a firmwide Day of Service dedicated to understanding racial inequity and giving back to organizations focused on addressing equity challenges, and more than 24,000 McKinsey employees had participated in our new racial equity and inclusion program by the end of 2020. We seek to double our hiring of Black colleagues over the next four years and expanded our recruiting efforts tenfold at Historically Black Colleges and Universities in the past year alone. We are taking measures to double our spending with diverse suppliers within three years and are bringing our capabilities and resources to help strengthen diverse-owned businesses. Our commitment to combat racism and inequity continues, and while we know we have much still to do, we are proud to support the leaders, institutions, and communities working for a more just and equitable society.

360+

organizations supported on Day of Service

7,000+

executives trained through our Black Leadership Academy

$200 million

commitment to pro bono support over the next decade to advance racial equity and economic empowerment

$5 million

donated in 2020 to nonprofits chosen by our McKinsey Black Network

Reflections on 2020

Charting a net-zero future

The year 2020 began with the warmest January on record. During the next 12 months, we published more than 100 thought pieces on sustainability challenges and how to transition to a net-zero future. Building on our previous commitments to reduce emissions, transition to 100 percent renewable electricity, and remain carbon neutral, we will reach net-zero climate impact as a firm by 2030 by reducing emissions in line with our validated science-based targets and removing carbon from the atmosphere for the remainder. While we continue our own net-zero journey, we are finding new ways to support clients on their sustainability journeys as well. Building on more than 15 years of sustainability client service, we launched McKinsey Sustainability to work with clients across the private, public, and social sectors to drive innovation and advance sustainability. To support decision makers on the climate challenges we face globally, we hosted our eighth annual Global Sustainability Summit, convening (virtually) more than 600 leaders from the private, public, and social sectors to discuss issues related to climate change.

600+

leaders convened as part of our eighth annual Global Sustainability Summit

95%

renewable electricity (100% by 2025)

1,700+

sustainability projects in the past three years

100+

sustainability-related publications

18%

reduction in absolute Scope 1 and Scope 2 emissions (vs 2019 baseline)

74%

reduction in Scope 3 emissions from business travel per employee (vs 2019 baseline)

Reflections on 2020

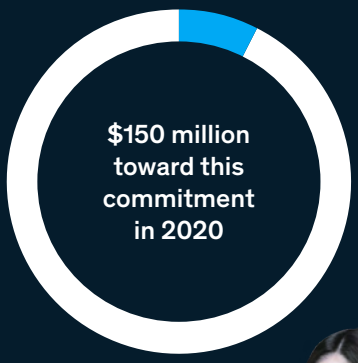
Raising our ambitions

The challenges of 2020 illustrate just how vital and interconnected social and environmental issues are, and the critical role that business can play in building a more sustainable and inclusive society. To that end, we continue to seek ways to raise our ambitions and harness our capabilities to deliver positive societal impact. For example, we are actively expanding how we define client impact to include positive outcomes for employees, communities, consumers, suppliers, and the planet—we call this Delivering for Stakeholders. Beyond our client work, we recognize the urgent need to join forces to meet the Sustainable Development Goals (SDGs), and last year we committed to providing $2 billion in cash and in-kind support toward social responsibility efforts by 2030. In 2020, our first full year of this commitment, we contributed over $150 million in cash and in-kind support toward this goal. We also became a founding signatory member of the World Economic Forum's Stakeholder Capitalism Metrics initiative, signaling our commitment to contribute to a more sustainable society and to increase transparency and accountability. And we joined two efforts by Business Roundtable and the New York Jobs CEO Council to provide insights on skills-based hiring and explore multiple pathways for hiring within our firm. Finally, to meet the rising expectations of our clients, our people, our communities, and other stakeholders, we continue to expand our public commitments to managing our firm responsibly.

We are committing

$2 billion

in cash and in-kind support to social responsibility efforts by 2030



WORLD ECONOMIC FORUM

Founding signatory member of the World Economic Forum's Stakeholder Capitalism Metrics initiative

Our aspiration:

50%

women by 2030

How we deliver on our purpose

We believe that we have a unique opportunity and a responsibility to use our expertise, knowledge, and capabilities to help address the world's most pressing social and environmental challenges.

Throughout this report, we highlight the four ways through which we approach our social responsibility to deliver on our purpose: serving clients, developing insights, giving back, and acting responsibly.

Serving clients

We help organizations make lasting improvements to their performance and realize their most important goals. We also continue to build new ways to integrate social and environmental considerations across all areas of our client service.

Developing insights

We use our knowledge and expertise to produce in-depth, fact-based reports and articles that examine the trends shaping business, society, and our planet. Through our research, we seek to generate new thinking and to identify practical solutions, providing a fact base for diverse stakeholders to galvanize action.

Giving back

We seek to strengthen communities across the world through pro bono work with nonprofits by helping them develop strategies to increase their impact and scale. Firm members also volunteer and contribute their capabilities and resources to nonprofits and causes that are making a positive impact.

Acting responsibly

We are committed to managing our firm responsibly. We bring this commitment to life through our mission and values, our Code of Professional Conduct, and our policies and practices related to the environment, our supply chain, our people, and our professional standards.

Serving clients

Our mission is to help our clients make distinctive, lasting, and substantial improvements in their performance.

In 2020, we harnessed our capabilities to help our clients—from all industries, regions, and sectors—to not only rise to new challenges but also lead with urgency and resilience in reimagining business models. As we worked with clients to prepare them to thrive and grow in the next normal, we also found new opportunities for them to address the needs of a broader range of stakeholders.

From working to support organizations on a path to net zero, to strengthening health and education systems, to partnering on strategies to increase diversity and inclusion, we share some of the ways we are serving clients on some of the world's most important challenges.

Learn more about how we serve those who are serving society

Learn more about how we support clients on their sustainability journeys

Delivering for stakeholders

The call to focus on a broader group of stakeholders—often referred to as stakeholder capitalism—reached a crescendo during 2020, with leaders recognizing that business as usual is no longer an option. As a client-services firm, one of our most meaningful opportunities to deliver on our purpose is to integrate social and environmental considerations across all areas of our work with clients, regardless of the broader scope or topic.

Delivering for Stakeholders expands how we define our client impact to include positive outcomes for employees and communities, consumers and suppliers, and the planet. We are also working to weave this holistic mindset into all facets of our client service—from client-counseling conversations to our analyses and recommendations—to help organizations achieve their goals while also creating long-term value for all stakeholders.

Learn more about how we are Delivering for Stakeholders

Dame Vivian Hunt: The path to more inclusive stakeholder capitalism

More than a mission statement: How the 5Ps embed purpose to deliver value

How we deliver on our purpose

Developing insights

McKinsey and the McKinsey Global Institute (MGI) have a long history of producing in-depth, fact-based reports and articles that examine the trends shaping business, society, and our planet.

In 2020, in response to the global COVID-19 pandemic and heightened concerns over racial inequities and climate change, McKinsey produced a record stream of award-winning content to help leaders in the private, public, and social sectors to innovate to find solutions to challenges and navigate the path to the next normal. Throughout the report, we highlight some of our highest-impact insights of the year.

2020 year in review: Highlights from our publishing

1,400+
articles and reports published in 2020, 600+ of which were COVID-19 focused

72 million
article reads, up more than 60% versus 2019

24
industry awards in 2020

McKinsey Global Institute

Last year marked MGI's 30th anniversary. In 1990, the business and economics research arm of McKinsey published its first report about productivity, using a novel method of calculation that turned conventional wisdom about the competitiveness of the US economy on its head. Thirty years later, MGI continues to lend a credible, objective, data-backed voice to some of the most vital societal issues today—gender equality, impacts of COVID-19, the future of work, and the social and economic benefits of healthcare, to name just a few.

MGI turns 30

Selected highlights from MGI in 2020

- How the social contract has changed in the 21st century
- What's next for remote work: An analysis of 2,000 tasks, 800 jobs, and nine countries
- COVID-19 and gender equality: Countering the regressive effects
- Will infrastructure bend or break under climate stress?
- Could climate become the weak link in your supply chain?

Giving back

Our people are our most valuable resource. With 34,000-plus talented colleagues in more than 130 cities in more than 65 countries, we recognize the tremendous potential of our people to help create positive, enduring change in the world. We have long sought to strengthen nonprofits through pro bono work, and our colleagues across the world pursue various social-impact programs tailored to local communities' needs and interests. We continue to create new ways to empower all colleagues, through both large-scale and individual efforts, to contribute their capabilities and resources to causes that are making a positive impact.

In a challenging year, our colleagues stepped up when it mattered most. They delivered more than 150 pro bono engagements, selected and supported 220 nonprofits through a $4 million COVID-19 Charitable Giving Program, and joined together for a firmwide Day of Service. Our colleagues made a difference in 2020—and are actively seeking ways to do more.

Three new ways we are empowering our colleagues to make an impact

Building on this momentum throughout 2020, we launched three new initiatives to empower our more than 34,000 colleagues to give their time and financial support to causes that have a positive impact on society:

- **McKinsey Serves:** Supporting our communities, individually and collectively, through firm-provided paid volunteer time
- **McKinsey Grants:** Supporting nonprofits, selected by colleagues, that are making a difference locally, with financial grants provided by the firm
- **McKinsey Gives:** Donating to causes that are making a positive impact, with individual contributions amplified by a match from the firm

These initiatives are specific to each location to reflect the distinctive aspirations of our colleagues and the needs of our communities. We are excited that all colleagues will have additional opportunities to engage in their communities and give back.

Throughout this report, we will highlight the ways in which our people have given back and created positive impact in our communities and for our planet.

How we deliver on our purpose

Acting responsibly

Our firm, like many other organizations, faced a series of unprecedented challenges in 2020. To navigate these challenges, we drew on our values and purpose to reflect on the work we do, to find new opportunities to support our people, and to build a more inclusive and sustainable firm.

To emerge even stronger, we have continued to raise our social responsibility ambitions by expanding our public commitments to protect the planet, strengthen our communities, and manage our firm responsibly.

For example, in 2020, we became a founding signatory member of the World Economic Forum's Stakeholder Capitalism Metrics initiative, signaling our commitment to contribute to a more inclusive and sustainable society and to increase transparency and accountability to our clients, our people, and society more broadly.

Beyond this commitment, we are also charting a net-zero climate future for our firm, while also pursuing new initiatives to work toward racial and social equity in our communities, with our clients, and within our firm.

See the full WEF Stakeholder Capitalism Metrics index

Our WEF Stakeholder Capitalism Metrics commitment: Highlights from 2020

To satisfy our commitment, we are proud to report against the 21 core metrics. We share just a few highlights below.

Governance

30%
women on executive committee

100%
of employees are required to participate in annual professional standards learning

100%
of colleagues have access to channels to report concerns, including anonymously[1]

1 Where allowed by law.

Planet

Net-zero
climate impact by 2030

223 $ktCO_2e$
greenhouse gas emissions in 2020

100%
emissions offset since 2018

Supporting the TCFD

Validated science-based targets

People

46%
of our workforce are women

38%
of colleagues in the US are from underrepresented groups[2]

100%
of colleagues receive regular career development feedback and learning opportunities

2 Black/African American, Asian/Asian American, Hispanic/Latino.

Prosperity

34,000+
colleagues globally

5,700+
new hires, 47% of whom were women

$12 billion+
in revenue

$700 million
invested in knowledge development, learning, and capability building

Our material topics

Our firm's purpose and values, the societal impact we seek to achieve, and the voices of our diverse internal and external stakeholders inform the material topics upon which we base our social responsibility strategy and reporting.

In 2020, we undertook a comprehensive refresh of our materiality assessment, engaging with thousands of internal and external stakeholders to refine our understanding of their expectations of us as a firm and to drive meaningful progress on our collective environmental, social, and governance (ESG) priorities.

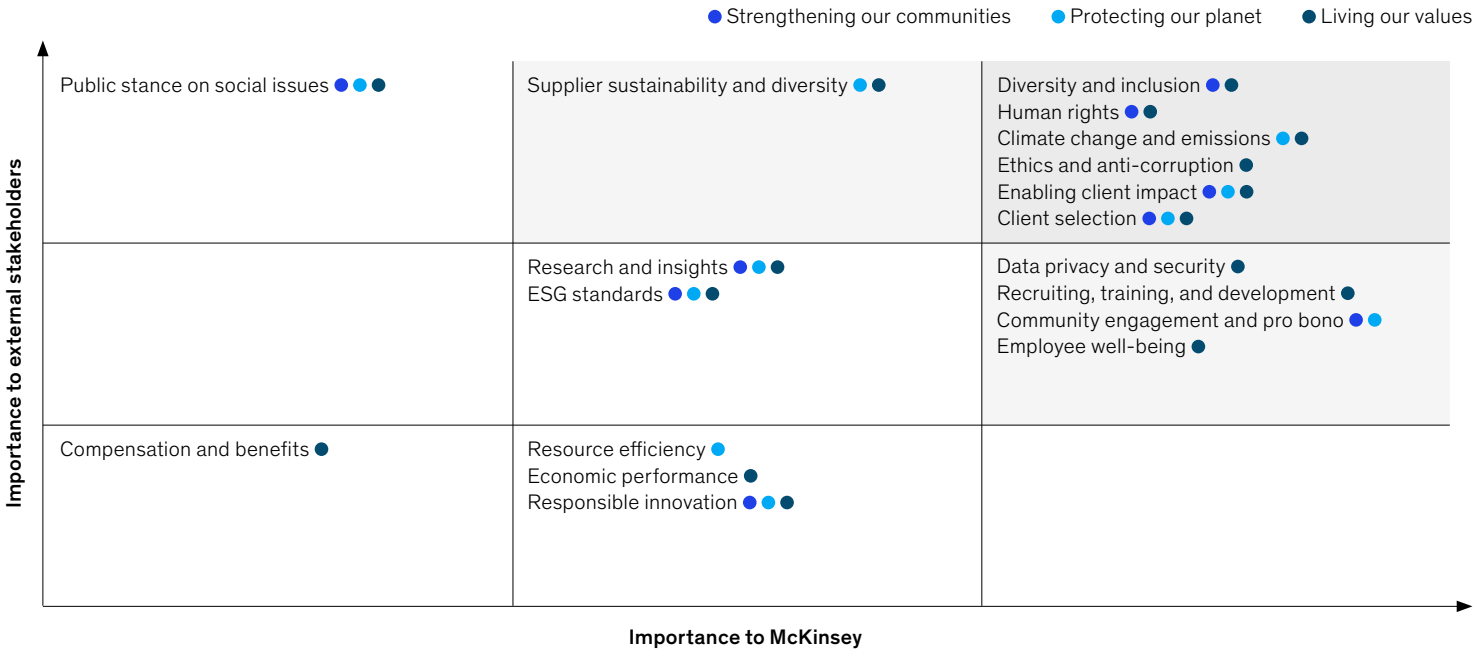
To capture the global and diverse perspectives of a firm with more than 34,000 colleagues in more than 65 countries, we held interviews and working sessions with dozens of global internal leaders, both client-facing and business-function leaders, and surveyed thousands of colleagues and alumni worldwide.

We incorporated global, multi-industry, and cross-sector perspectives of our external stakeholders through a variety of touchpoints, including surveys and interviews with clients, suppliers, charitable and nonprofit organizations, thought leaders, and potential McKinsey recruits. We also reviewed recent client requests regarding our social responsibility practices to understand emerging issues and expectations.

Our 2020 materiality assessment reinforced the importance of eight topics we previously had identified as material in our 2019 report, while also revealing the importance our stakeholders place on our client service and our research as a means for social, economic, and environmental impact. We have highlighted our efforts in these areas across all chapters to show how we bring our capabilities to bear to have impact at scale.

We will continue to refine our material topics by engaging directly with our stakeholders, while also drawing insights from third-party artificial intelligence (AI) tools to help us understand the changing ESG landscape in real time.

Read the details of our 2020 materiality assessment in the reporting and data section



Our commitment to the SDGs

Our research, our work with our clients, and our on-the-ground efforts to meet the diverse and varied challenges in our communities collectively touch each of the 17 Sustainable Development Goals (SDGs) adopted by the UN member states in 2015.

Our global social responsibility efforts, however, seek to advance a subset of these goals through our focus on three themes: economic opportunity for all, environment, and equity. These three themes, and their corresponding SDGs, reflect those areas where we see the greatest opportunity to help create positive, enduring change by deploying our capabilities and expertise through our research, by empowering our people to give back to our communities, and by managing our firm responsibly.

Throughout the report, we highlight the SDGs that are supported across our pro bono efforts and our environmental sustainability practices.

Our themes

Economic opportunity for all

Equity

Environment

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

Strengthening our communities

We turned our insights into action by helping our clients to deliver societal impact, while also giving back as a firm to strengthen the communities in which we live and work.

2020 highlights

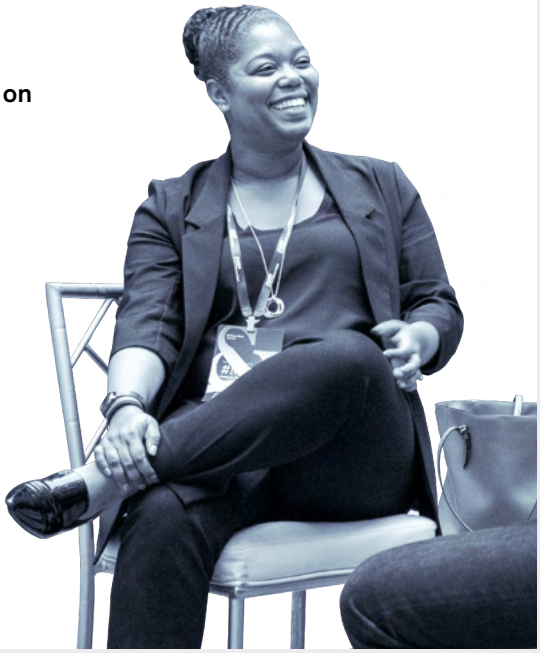
Engaging with organizations supporting racial equity

$5 million

donated in 2020 to more than 35+ nonprofits working to address racism and inequity

360+

organizations supported on Day of Service in 2020



Helping organizations rise to new challenges

"What we have been able to do in terms of shifting our operations has been looking at really moving from a sprint to a marathon. McKinsey has been very helpful to us in that regard … helping us to really get organized and focused on the future."

Katie Fitzgerald, COO of Feeding America

Delivering for stakeholders—including consumers, employees, and communities

Award-winning design for an alarm device to help older adults live safely and with dignity at home, developed with Swedish company Doro

10,000+

job searchers supported since launching Career Exchange, with more than 1,000 free courses through Udemy, Coursera, and edX

Empowering our people to give back

222,000+

hours contributed to pro bono engagements, firm-founded nonprofits, and internal social responsibility initiatives

600+

nonprofits supported through pro bono service, board membership, and volunteering

Serving clients

Serving those who serve society

Public and social-sector organizations are key to societal and economic progress and well-being. For almost 70 years, McKinsey has served these institutions and supported projects foundational to the way these sectors operate today. Through our client service and pro bono work, our mission is to measurably improve lives, livelihoods, and health, and create more resilient communities around the world. In 2020, our teams helped clients tackle society's most critical issues, from helping organizations navigate the public-health and economic impacts of COVID-19 to working with corporate and community leaders to advance racial equity. Following are select examples that illustrate stakeholders we serve and the impact we have delivered in communities around the world.

Learn more about our Public & Social Sector Practice

Public health

We help foundations, governments, and international organizations address public health challenges and crises.

Responding to COVID-19 continues to require unprecedented collaboration and coordination. Drawing on our work in combatting H1N1, Ebola, and the Zika virus, we were asked to help on pandemic response and vaccine rollout. In some countries, we provided end-to-end support with health-system response, scaling up testing, supporting supply-chain resilience, and vaccine rollout. In other countries, we focused on specific elements of the crisis response.

Philanthropy

We help private and corporate foundations, as well as individual philanthropists, develop and implement strategies to achieve systems-level social change.

To help address the need for deep, structural changes to advance equity for people of color, we worked with a major global foundation to launch an initiative that called on corporate leaders to commit to tangible initiatives to advance racial equity. Since the coalition was announced in 2020, 90 percent of members have agreed to disclose diversity data publicly and have committed to programs that diversify the workforce and invest in Black businesses and communities.

Economic and social development

We help governments and social-sector organizations design and implement job creation, growth, and resilience strategies.

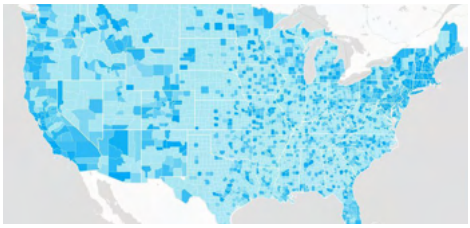
When the world went into lockdown, millions of people lost their livelihoods. Anticipating intense hardship, we worked with a philanthropic organization and a national government agency to support delivery of emergency relief payments and food care packages to vulnerable households. Within weeks, social assistance programs were launched to disburse cash and engage private-sector partners to provide food support. In total, more than 10 million vulnerable households received cash payment and more than 10 million meals were disbursed.

Images courtesy of Getty

Serving clients

Serving those who serve society

continued



Underresourced areas in healthcare

Our Center for Societal Benefit through Healthcare shares analytic tools, data, and insights focused on historically underresourced areas in healthcare.

In 2020, the Center launched a data hub providing access to a growing collection of data sets with metrics drawing from dozens of public and proprietary sources. Since its launch, more than 100 organizations have leveraged insights from the hub to improve care for underserved populations. Examples include: a provider identifying areas with unmet mental health needs to build a clinic; a government agency optimizing the rollout of COVID-19 resources to vulnerable populations; and a county health department benchmarking access to psychiatrists.

Learn more about the Center for Societal Benefit through Healthcare

Education

Serving educational institutions, we work to improve educational and employment outcomes, helping create prosperous societies that provide equal opportunities for all students.

Beginning in the spring of 2020, we supported K–12 students and school systems in the United States, as well as globally, to help them quickly adapt to and accommodate the changes in teaching and student learning as a result of the COVID-19 pandemic. Through a combination of direct support and broad sharing, we helped identify models for reopening, virtual instruction, and student supports.

Environmental, social, and governance (ESG)

We work with clients to implement ESG strategies that increase competitiveness, add value, and drive positive social change.

We worked with a leading global retailer to translate its new brand purpose into an integrated ESG strategy. The new strategy cut across all three ESG domains and included new commitments, such as increased support for local manufacturing; an industry leading net-zero target; investments in customer recycling and second-life programs; and a renewed investment in diversity, equity, and inclusion in the company's workforce as well as its product assortment and related marketing.

Further reading

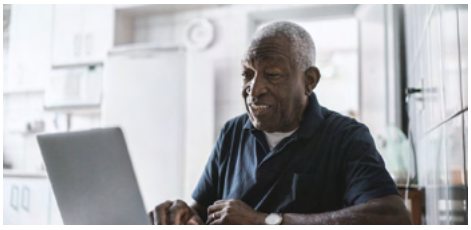
- Read more about how COVID-19 was a transformative moment for philanthropy
- Meet some of our vaccines experts helping to fight COVID-19
- Watch an interview with the UN Undersecretary General for Humanitarian Affairs on the secondary economic and social impact of COVID-19
- Read more about COVID-19 and learning loss among students
- Read more about five ways that ESG creates value

Images courtesy of Getty

Serving clients

Helping clients strengthen communities and the workforce

Regardless of sector or topic, our definition of client impact goes beyond organizational and financial performance to include benefit for stakeholders at every level—from the people who work for our clients to their customers and their communities. Integrating stakeholder considerations into how we serve and advise our clients from all sectors—private, public, and social—is one way that we fulfill our purpose of helping create positive, enduring change in the world. Following are a few examples that illustrate our approach to client impact for the benefit of all stakeholders.



Helping seniors live independently through more thoughtful design

The Swedish technology company Doro is dedicated to helping older adults live safely and with dignity at home, a goal that remains especially critical since COVID-19 expanded the need for remote-care options. McKinsey Design partnered with Doro to design Eliza, a digital social alarm that calls for help in urgent situations. The result was a new contemporary, minimalist, easy-to-use design that enables seniors to feel safe at home and live independently. The device won a 2020 iF Design Award.

How award-winning design is helping older adults live safely and with dignity at home

Advancing diversity, equity, and inclusion in agriculture

We worked with the senior leaders of a global agriculture company as it defined and publicly committed to a five-year strategy for diversity, equity, and inclusion (DEI) across the organization. We worked together to identify opportunities to strengthen DEI efforts, capture goals for gender and racial and ethnic diversity, and define a commitment to building a more inclusive culture.

Learn more about increasing inclusiveness in the workplace

Expanding skills and opportunities for employees

When our client, a leading retail conglomerate, recognized that it needed to add to its digital and analytics capabilities, there were two choices: hire new workers skilled in digital or retain and upskill the employees it already had. We worked with the organization on the latter option, ultimately helping to build an internal school of analytics and technology that has since retrained tens of thousands of employees.

Beyond hiring: How companies are reskilling to address talent gaps

Further reading

Six McKinsey experts share the capabilities they're most excited to develop with teams—and why these skills are critical for staying ahead in the next normal

Learn about Career Exchange, an employment marketplace launched by McKinsey and Eightfold.ai in response to our clients' labor shifts during COVID-19

Images courtesy of iStock and Getty

Serving clients

Supporting 10 Actions with our clients

Our firm's 10 Actions to fight racism and social injustice are helping our clients to do the same. Drawing on our areas of core expertise, including developing leadership and identifying solutions through data-based research, we have created two new initiatives that support our clients' efforts to better support their employees of color and the communities in which they live and work.

The Black Leadership Academy (BLA)

The Black Leadership Academy (BLA) is a dedicated McKinsey Academy virtual leadership program, which we have made available at no cost to our clients to support rising Black managers and executives from across all industries and the public sector. The Black Leadership Academy offers two programs: the Black Executive Leadership Program, designed for senior executives with C-suite aspirations, focusing on building the leadership capabilities and networks that distinguish successful executives, and the Management Accelerator, which is designed for high-performing, early- to midcareer managers aspiring to take the challenging leap into senior leadership. Since September 2020, we have trained more than 7,000 participants from more than 350 organizations and have confirmed more than 10,000 additional participants.

7,000+

individuals from 350+ organizations have participated in our Black Leadership Academy

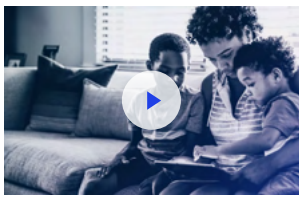
Black Leadership Academy

McKinsey Institute for Black Economic Mobility

McKinsey Institute for Black Economic Mobility helps private-, public-, and social-sector leaders take action to advance Black economic mobility by offering in-depth research, convening stakeholders, and translating research into practical assets and capabilities. The institute provides a platform for difficult conversations among stakeholders and aims to be a model for bringing racial-equity principles to life. Its first report, "It's time for a new approach to racial equity," launched at the end of 2020, recommends coalition building among organizations and outlines five essential elements these coalitions need to succeed.

9

reports and articles published to date as part of the McKinsey Institute for Black Economic Mobility



Learn more about the institute and why it was created

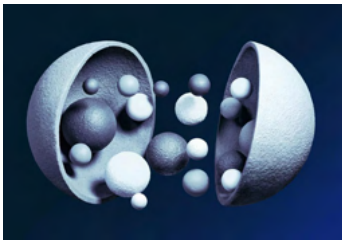
McKinsey Institute for Black Economic Mobility

Image courtesy of Getty

Developing insights

Strengthening communities and societies

In a year of unprecedented change and challenges, we brought together our knowledge and insights to help leaders across the private, social, and public sectors safeguard lives and livelihoods, strengthen communities and the systems that support them, address racial inequities, and transition to the next normal. Following is a selection of highlights from the year.



COVID-19: Implications for business

Safeguarding our lives and our livelihoods: The imperative of our time

When will the COVID-19 pandemic end?

Beyond coronavirus: The path to the next normal

Diversity wins: How inclusion matters

Diverse employees are struggling the most during COVID-19—here's how companies can respond

Women in the Workplace 2020

It's time for a new approach to racial equity

Not the last pandemic: Investing now to reimagine public health systems

Returning to resilience: The impact of COVID-19 on mental health and substance use

COVID-19 and learning loss—disparities grow and students need help

Reimagining higher education in the United States

Giving back

Giving back across the globe

McKinsey has offices in more than 130 cities and more than 65 countries. These communities are home to our clients and their customers, as well as to our own people and their families. We want these places to be inclusive, sustainable, and prosperous for everyone who calls them home. We believe we have an opportunity and a responsibility to deploy our resources, our people, and our capabilities to give back.

Every year we work with more than 600 nonprofit organizations that are addressing some of the world's most pressing challenges. Through pro bono service, nonprofit board membership, and volunteering, we strive to bring insights from our work to strengthen these organizations' impact and help them grow. Each McKinsey office chooses the nonprofits in its community to support, reflecting the issues that colleagues are passionate about and that are making a difference locally. In addition, we continue to expand opportunities for our colleagues to contribute time and resources—both individually and collectively—to causes making a positive societal impact.

600+

nonprofits supported through pro bono service, board membership, and volunteering

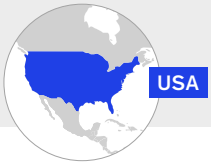
222,000+

hours contributed to pro bono engagements, firm-founded nonprofits, and internal social responsibility initiatives

Giving back

Feeding America

Supporting the SDGs



In 2020, an estimated 45 million Americans faced food insecurity as a result of the COVID-19 pandemic, a 55 percent increase from 2019. Looking ahead, Feeding America estimates that more than 40 million people may continue to face hunger in the United States as the lingering effects of the pandemic—including unemployment and growing poverty rates—continue to increase demand for food-bank support. In response, McKinsey provided pro bono support to Feeding America, the largest charitable food network in the country, to help meet accelerating demand as well as reimagine what it would look like to deliver more equitable and accessible services and more nutritious meals for people experiencing need. We partnered with Feeding America to redesign the charitable-food experience for the people it serves through its more than 200 food banks and 60,000 food pantries and meal programs; identify opportunities to improve the nutritional content of the food in its supply chains; and help strengthen the capacity of its leaders and frontline staff through trainings with McKinsey Academy.

> "The partnership with McKinsey & Company has been truly invaluable to our ability to look ahead and prepare, plan, and respond to the incredible need of food-insecure Americans."
>
> **Katie Fitzgerald,** COO of Feeding America

6 billion+

meals provided by Feeding America in 2020

Learn more about Feeding America

Giving back

Juntos Conference

Supporting the SDGs

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Central and South America

While almost 56 percent of Brazilians are of African descent, less than 30 percent of leadership positions in Brazilian companies are held by Black people. In 2018, McKinsey, in partnership with large companies in the Brazilian market, launched the Juntos Conference with the purpose of helping develop and expand the future generation of young Black professionals in the corporate environment. The conference, the first of its kind in Brazil, has become a signature event with a focus on diversity in the corporate world. Held annually and free of charge, the conference provides an opportunity for young Black talent in Brazil to further develop skills, connect with other professionals and large companies, and get inspired by successful Black leaders from Brazil and abroad. The 2020 conference, held virtually due to COVID-19 safety precautions, featured learning and training sessions, opportunities for attendees to connect with partner companies, and speakers on how to lead racial inclusion in companies and how to build the future of work for Black talent.

> “This was my first time attending the conference, and I have never felt so good in one space. We are powerful! Let’s make it happen and unite.”

Participant, 2020 Juntos Conference

4,000+

participants to date

Learn more about the Juntos Conference

Giving back

The Trinity Challenge

Supporting the SDGs

Europe

As institutions and governments sought to respond swiftly to the COVID-19 pandemic, some governments and organizations struggled to access data analytics in a timely manner and collaborate with one another quickly. To build greater resilience for the ongoing challenges of the pandemic, as well as for future health crises, McKinsey became a founding member of The Trinity Challenge, a coalition of more than 40 preeminent global institutions spanning universities, philanthropic foundations, and leading businesses, dedicated to improving the use of data and analytics to address humanitarian challenges. Individuals and organizations with boundary-spanning solutions to better prepare for future health emergencies can either request formal collaboration with one of the members of the coalition or submit their ideas for funding consideration of up to £10 million in the inaugural year.

500+

entries, representing 65 countries, have been submitted for inaugural funding of up to £10 million

A new partnership issues a global challenge: Protect the world against the next pandemic

Learn more about The Trinity Challenge

> "The Trinity Challenge is a new way for us to bring together leaders from around the world to step up our collective preparation for and response to devastating humanitarian crises like the COVID-19 pandemic. I am proud of McKinsey's role as a founding member and grateful for their continued involvement and support."

Dame Sally Davies, chair of the board of trustees for The Trinity Challenge

Giving back

International Rescue Committee

Supporting the SDGs

Eastern Europe, Middle East, and Africa

The global pandemic affected the ways in which nongovernmental organizations such as the International Rescue Committee (IRC) deliver aid to people whose lives are shattered by conflict or natural disaster. McKinsey has worked with the IRC on a number of pro bono initiatives over the past several years, including helping in-country programs improve the speed and efficiency of delivering aid to refugees. During 2020, McKinsey worked with the IRC on COVID-related challenges. McKinsey experts from all over the world joined with IRC global strategy leaders virtually to discuss and offer insights on a broad range of topics, including, among others, the impact of the pandemic on its supporters and funding and global supply chains.

$30 million

raised by the IRC to support its global response to COVID-19

Learn more about the International Rescue Committee

"IRC's partnership with McKinsey has brought talented people, wide-ranging experience, and new techniques into our organization. 'Pro bono' has meant high-class support. McKinsey has helped us build our capacity to deliver more and better services to clients in need. This kind of flexible, creative private-sector support is essential to our vision of a reformed humanitarian sector better able to meet the needs of war-affected communities around the world."

David Miliband, CEO of the IRC

Giving back

Supporting the SDGs

Purpose-Led Leadership Academy

Australia & New Zealand

All leaders across sectors need advice and support to hone their leadership skills, whether in times of crisis or beyond. In 2020, McKinsey launched Purpose-Led Leadership Academy in Australia. The academy offers, on a pro bono basis, workshops on topics such as delivery of organizational mission and purpose, as well as how to create a psychologically safe team environment. McKinsey invited leaders of social-sector organizations from across the country, and some international leaders, to participate virtually in the academy's pilot programs: one for senior executives, focused on excellence in mission delivery, and a second for emerging leaders, focused on team management and leadership capabilities. After a successful pilot, the programs are now run at full scale, with each offered four times per year. The academy is focused on reaching 1,000 Australian leaders and 150 preeminent or highly innovative social-sector organizations annually.

550+

leaders from 150 organizations have participated in the programs to date

"Clearly, a lot of effort was put toward creating an inclusive, engaging space. I found it all really useful, and it was a really valuable moment of growth that I can use as a springboard for well-being and leadership improvements at my organization."

Participant, Purpose-Led Leadership Academy

Image courtesy Unsplash: Dylan Ferreira

Giving back

Generation

Supporting the SDGs

In 2014, McKinsey founded an independent nonprofit, Generation, to tackle the massive problem of youth unemployment and help connect employers and young people. To date, McKinsey has supported Generation with $100 million of funding and in-kind support. With McKinsey and other funders' support, as of 2020, Generation was operating in 14 countries and has expanded its work with midcareer workers, called "ReGeneration" learners, who are seeking training and placement in new industries.

In 2020, the global pandemic amplified the need for Generation's programs, stepping up the urgency for Generation to rapidly adapt to address employment challenges in new ways. Last year, Generation not only continued its core work of preparing, placing, and supporting people in higher-paying jobs but also formed a coalition to help upskill more than 260,000 healthcare workers in France, India, Italy, Kenya, Mexico, Pakistan, and Spain to help meet the expanding healthcare needs driven by COVID-19. Generation's COVID-related response was recognized in 2020 by the Roddenberry Prize, which honors innovative solutions to problems that require "audacious, far-reaching, and scalable responses."

With the pandemic disproportionately affecting communities of color, and as part of our 2020 commitment to combat racism, McKinsey contributed $2 million in a partnership with Generation USA in 2020 to train and place Black learners in internship positions with Black-owned small and medium-size businesses.

> "Millions of people have lost work due to the pandemic, making Generation's mission more relevant than ever. We have continued our core work to help our graduates access life-changing jobs, and at the same time supported the healthcare-worker community across several of our countries."

Mona Mourshed, global founding CEO of Generation and former McKinsey senior partner

260,000+

healthcare workers upskilled through a Generation coalition to help meet the healthcare needs driven by COVID-19

How Generation is responding to COVID-19

Learn more about Generation

Giving back

Supporting the SDGs

Supporting 10 Actions in our communities

Within our 10 Actions to fight racism and social injustice, we outlined several specific opportunities to engage deeply with nonprofit organizations that are helping to address the inequities facing our Black communities. We engaged our colleagues internally, in particular working closely with members of our McKinsey Black Network, to shape and drive these initiatives. A few highlights follow:

We donated $5 million to select nonprofits working to create educational opportunities and combat racism

Nonprofits of all kinds play important roles in addressing the myriad inequities facing the Black community. To help us decide where to invest, we engaged our colleagues to identify organizations at the forefront of creating equity-centered opportunities. Our McKinsey Black Network colleagues and alumni together selected a portfolio of more than 35 local, national, and international organizations to receive grants from McKinsey.

$5 million

donated in 2020 to 35+ nonprofits working to combat racism and inequity

We are committing $200 million in pro bono support over the next ten years

We are providing pro bono consulting to nonprofits focused on Black economic empowerment and racial equity to help them broaden and deepen their impact. In one example, we supported the Black Opportunity Fund, a Canadian nonprofit that aims to raise and mobilize the world's largest pool of capital to serve the Black community. In addition, in partnership with the Institute for Black Economic Mobility, we launched our first place-based transformation in Atlanta, an initiative that applies McKinsey transformation strategies to issues of systemic racism in places with significant Black populations.

$200 million

commitment to pro bono work over ten years to advance racial equity and economic empowerment

Bringing the 10 Actions home: Chicago

Colleagues are also working locally, in their offices and communities, to bring our 10 Actions to life. For instance, colleagues in Chicago are pursuing several initiatives to embed the 10 Actions in the local DNA and increase engagement in the community. Some of these initiatives include expanding opportunities for Black businesses, supporting local Black artists, increasing computer donations to underserved students, helping prepare underrepresented students for college-entrance exams, offering mentorship and technology training to economically disadvantaged students, and partnering with nonprofits to provide internships.

> "Our goal is aspirational: we want to be part of creating a more fair and inclusive society. Our plan is simple: we will start by donating one laptop, helping one student, partnering with one school, and onboarding one diverse supplier and continue to build from there."

Freddie Williams,
IT project manager, Chicago

Images courtesy of Getty

Giving back

Supporting the SDGs

10 REDUCED INEQUALITIES

Supporting 10 Actions in our communities

continued

We supported more than 360 nonprofit organizations on our Day of Service

In 2020, colleagues across locations dedicated a full day to understanding racial injustice and giving back to our communities as part of our firm's broader journey toward equity and inclusion. We heard from nearly 100 external speakers, spent time reflecting on the impact of societal and racial injustices, served local nonprofits, and celebrated role models within the firm. Colleagues logged thousands of service hours with more than 360 organizations that are focused on addressing equity challenges in their regions. Each region focused on a theme: racial equity in the Americas, immigrant and other minority communities in Europe, women's education and empowerment in Greater China, indigenous and other minority communities in Asia, and economic equality in Eastern Europe, the Middle East, and Africa.

Our commitment to combat racism through our 10 Actions continues. We know issues of inequity cannot be easily addressed in a single year. We have a long way to go on our journey, and we will continue supporting the leaders, businesses, and communities working for a more just and equitable society.

Read more about our Day of Service

Recognizing those who serve their communities through the INservice Award

Our INservice Award recognizes firm colleagues who have demonstrated extraordinary commitment and a track record of service in advancing justice, equity, and inclusion that leads to positive and enduring change in their communities. In 2020, seven award recipients, representing multiple regions, were chosen globally from among nearly 450 nominations in 96 locations.

360+

nonprofits supported

Giving back

Reimagining learning and education

Supporting the SDGs

The COVID-19 pandemic precipitated a dramatically different school experience in 2020 for children and teachers, who had to collectively navigate a new world of learning, as well as for parents and caregivers, whose roles and responsibilities expanded dramatically.

The disruption of societies and economies caused by the pandemic intensified preexisting challenges and inequities within education systems globally, and the impact on a generation of learners is likely to be long lasting. As many schools remained shuttered and remote learning became the norm, remote and hybrid learning models often proved difficult for many students—and, as studies have shown, contributed to rising rates of depression and anxiety as well as the loss of student learning. What's more, Black and Hispanic students in the United States and students living in poverty around the world suffered disproportionately.

Our research and insights provided guidance to school systems on topics including prioritizing equity, reimagining higher education, and improving remote and hybrid learning. We are also focused on developing new strategies to reimagine school systems to be more equitable and resilient.

Reimagining a more equitable and resilient K–12 education system

Throughout 2020, we partnered with several organizations to translate these insights into action for children and families:

Khan Academy

When the pandemic hit, Khan Academy was already in the midst of an ambitious pilot to scale its educational services across entire school districts. But balancing this momentum while leading a massive pivot to help keep educational efforts going during the pandemic proved challenging. We provided pro bono research and analytic support to Khan Academy to help develop a new flexible learning index that enabled districts to assess how prepared they were to transition to a hybrid learning model.

Learn more about Khan Academy

Oak National Academy

We helped a group of teachers establish Oak National Academy, a virtual classroom with a full year's set of lessons, worksheets, and quizzes, available for free to teachers, parents, and students. Around 10,000 lessons span a range of subjects for both primary and secondary school phases, providing a flexible and broad-based curriculum that schools can use.

Learn more about Oak National Academy

Teach for India

In early 2020, a McKinsey pro bono team worked with Teach for India (TFI) on its long-term strategy to expand youth leadership programs to improve outcomes for K–12 students in underresourced schools. The team helped TFI identify ongoing and disruptive educational trends to successfully address challenges in education delivery in light of COVID-19 and beyond.

Learn more about Teach for India

UNESCO

To scale solutions globally, we supported UNESCO's Global Education Coalition in developing a toolkit for school systems, with resources on remote learning, reenrollment, remediation, hybrid learning, and organizing in response to the pandemic.

COVID-19 Education Response Toolkit **(developed in partnership with UNESCO)**

Protecting our planet

We turned our environmental insights into action, charting a path to a net-zero future for our firm and expanding our capabilities to support clients on their sustainability journeys.

2020 highlights

"Blue Nature Alliance believes in partnering with local leaders to create global impact worldwide, and our work with McKinsey has helped us see very clear paths forward on how we can achieve our goals."

Christopher Stone, conservation finance lead for Blue Nature Alliance

18M km²

Surface area of global ocean Blue Nature Alliance has set as its goal to protect over the next five years

600+

leaders convened as part of our eighth annual Global Sustainability Summit

Charting a net-zero future for our firm

2030

Year when our firm will have net-zero climate impact

95%

renewable electricity (100% by 2025)

Raising our environmental ambitions

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

wbcsd

BUSINESS AMBITION FOR 1.5°C

BUSINESS FOR NATURE

RE100 CLIMATE GROUP | CDP

Image courtesy of Getty

Serving clients

Building a platform to help clients reach net zero

McKinsey Sustainability

We're working to help all industry sectors transform to reach net zero by 2050 and to cut carbon emissions in half by 2030. We do this by leveraging our thought leadership, innovative tools and solutions, top talent, and an ecosystem of industry associations and knowledge platforms focused on innovating to net zero.

We seek to be the preeminent impact partner and adviser for our clients on sustainability, climate, energy transition, and environmental, social, and governance (ESG).

McKinsey Sustainability works in five main ways to deliver impact for our clients and the planet: sustainability strategy and portfolio optimization, green business building, decarbonization transformation, net-zero financial institutions, and sustainable investing.

1,700+
sustainability projects in the past three years

1,000+
colleagues with deep expertise in sustainability

Learn more about McKinsey Sustainability

Following are a couple examples of our work:

Partnering with a private-equity climate fund

We are supporting the climate-related fund of a top private-equity firm by advising fund managers and limited partners (LPs) on emerging sustainability strategies and technologies, identifying investment opportunities, providing detailed diligence, and working with portfolio companies to deliver post-acquisition growth.

Shifting from fossil fuels to green energy

We helped a major energy provider dramatically reduce its carbon emissions, including an 82 percent reduction in CO_2, while increasing operating profit. To accomplish this, we helped the client define a strategy and execution plan to reduce the carbon intensity of Scope 1 and 2 emissions to zero by 2025.

82%
reduction in CO_2

Image courtesy of Getty

Serving clients

Embedding sustainability across our client work

Our colleagues are seeking ways to integrate environmental considerations in our client work, across industries, topics, and geographies. Some of those projects involve partnering with growing sustainability-focused start-ups. Others involve finding ways to track and reduce carbon emissions as part of large-scale transformations. In addition to dedicated sustainability efforts, we continue to innovate to develop tools and methodologies to help clients seamlessly integrate environmental considerations into their broader strategy and operations.

Reducing carbon footprint and costs

Our design team identified opportunities to improve the packaging for a global apparel company's flagship product. By minimizing the package size, changing the material used, and eliminating unnecessary pieces, the company can reduce carbon emissions by nearly 20 percent while also saving 10 percent on costs.

20%
reduction in carbon emissions

Looking at logistics

Using our customized sustainability tools, we analyzed a US-based company's supply-chain network design as part of a larger transformation, helping the client reduce emissions by 18 percent—the equivalent of 750 passenger cars removed from the road for one year—while saving 40 percent on logistics costs.

18%
reduction in carbon emissions

Improving sustainability and efficiency

A global agricultural company asked for our help in improving its sustainability and efficiency and reducing costs. By using our proprietary tools, we were able to estimate the carbon footprint of hundreds of sites, identifying an overall opportunity to reduce emissions from manufacturing by 27 percent.

27%
reduction in emissions from manufacturing

How we continue to develop new capabilities to support clients on their sustainability journeys

Images courtesy of Getty

Developing insights

Shaping environmental sustainability

For more than ten years, McKinsey's research has provided a fact base on emissions-reduction opportunities and their associated costs and investment needs.

Today our sustainability work and research focuses on five areas: sustainability strategy, green business building, decarbonization transformation, net-zero financial institutions, and sustainable investing.

In 2020, we published more than 100 articles, reports, and other media focused on finding and promoting structural, long-term solutions to environmental challenges across issues, industries, and regions. Following is a selection of highlights from the year.

Addressing climate change in a post-pandemic world

The 1.5-degree challenge

How a post-pandemic stimulus can both create jobs and help the climate

Climate math: What a 1.5-degree pathway would take

Valuing nature conservation

A blueprint for scaling voluntary carbon markets to meet the climate challenge

How the European Union could achieve net-zero emissions at net-zero cost

Climate risk and response: Physical hazards and socioeconomic impacts

Climate risk and response in Asia

Fashion on climate

How airlines can chart a path to zero-carbon flying

100+

sustainability-related publications in 2020

Read more Sustainability insights

Developing insights

Shaping environmental sustainability

Collaborating for sustainability

Bringing voices and capabilities together to shape long-term solutions to environmental challenges has never been more critical. We convene leading thinkers on critical climate and nature issues, while partnering with leading organizations around the world to build a more sustainable future.

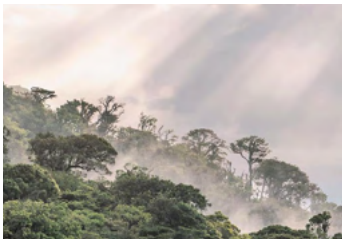
McKinsey Global Sustainability Summit

In 2020, we hosted our eighth annual Global Sustainability Summit virtually for the first time. The summit brought together more than 600 leaders from the private, public, and social sectors to discuss climate change in a post-pandemic world, what a climate-resilient future might look like, what the most promising innovations for decarbonization could be, and how to achieve a 1.5-degree pathway.

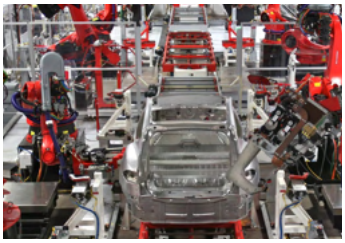
Read more about the 2020 McKinsey Global Sustainability Summit

Collaboration with the World Economic Forum

McKinsey partners with the World Economic Forum on scaling sustainability solutions across a number of sectors, including agriculture, energy, infrastructure, and mobility.



Nature and Net Zero



Circular Cars Initiative

Clean Skies for Tomorrow

Global Battery Alliance

Read more about our collaboration with the World Economic Forum

Other partnerships and collaborations

- Taskforce on Scaling Voluntary Carbon Markets
- COP26 Private Finance Hub's Portfolio Alignment Team
- Coalition for Climate Resilient Investment
- Hydrogen Council

Giving back

Blue Nature Alliance

Supporting the SDGs

Launched in 2020, the Blue Nature Alliance is a global partnership that aims to advance sites and regions in their marine-conservation efforts and grow the field of large-scale ocean conservation. The Alliance has set uniquely ambitious goals—to catalyze the protection of 18 million square kilometers, or about 5 percent, of the global ocean—using the tools of governance, science, capacity building, and financing to achieve them.

In 2020, a pro bono team from McKinsey launched an effort to help the Alliance develop innovative and sustainable financing models for marine conservation. In support of the Alliance's efforts to create or sustain large-scale, protected marine areas (larger than 150,000 square kilometers), the team developed three potential financing models to help achieve this goal. The financing models are now being considered for specific sites, with the potential to support five million square kilometers of protected marine areas, conserving the habitat of 500 endangered or vulnerable species and creating or preserving more than 10,000 jobs in the conservation, tourism, and fisheries sectors.

Moving forward, McKinsey will be working on similar pro bono projects with the Alliance, including supporting the development of a sustainable financing model for specific protected marine areas and the creation of socioeconomic-impact models to better understand the possible outcomes from different marine-protection scenarios.

18M km²

Surface area of global ocean Blue Nature Alliance has set as its goal to protect over the next five years

Learn more about Blue Nature Alliance

"The team we worked with at McKinsey was able to draw from a wealth of experience and knowledge on how to sustainably finance marine-conservation efforts—which, given the continued loss of biodiversity, effects of climate change, and the growing impacts of overfishing, we urgently need. The Alliance believes in partnering with local leaders to create global impact worldwide, and our work with McKinsey has helped us see very clear paths forward on how we can achieve our goals."

Christopher Stone, conservation finance lead for Blue Nature Alliance

Image courtesy of Getty

Giving back

Rethinking Recycling

Supporting the SDGs

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Experts predict that by 2050, global waste volumes will more than double in low- to middle-income countries. Rethinking Recycling, launched in 2019 by McKinsey.org, works with stakeholders across the value chain to develop economically sustainable and environmentally sound approaches to managing and recycling waste. Pilot programs launched in 2019 in Buenos Aires, Argentina, and Bali, Indonesia, demonstrated that communities could successfully manage their own waste and recycling efforts, with the added benefit of generating income for waste workers.

When the COVID-19 pandemic hit in early 2020, those same pilot communities faced multiple challenges, including the closure of newly established recycling centers, which deprived essential waste workers of earned income. In addition, infection rates in poorer communities were disproportionately high.

At first, Rethinking Recycling teams focused on feeding waste workers and their families. Working with sponsors and government agencies, the teams helped distribute thousands of food packages to waste workers and their families during the initial lockdown periods. What began as an effort to feed waste workers, however, grew into a much bigger effort to help protect the health of the communities in which they live. In June 2020, Rethinking Recycling partnered with the International Red Cross and Doctors Without Borders to set up mobile "prevention posts" in Barrio 31, an informal settlement in Buenos Aires. At these sites, volunteers were trained to conduct screenings of residents for symptoms of COVID-19 and to refer them for rapid testing and treatment if needed. Over the summer, screenings in this area reached more than 10,000 residents per day.

10,000+

COVID-19 screenings of Barrio 31 residents per day

Learn more about Rethinking Recycling

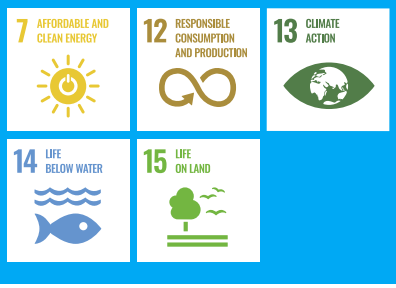
"By engaging residents in sustainable waste-management practices, Rethinking Recycling helped families take ownership of their communities' waste, and recycling and waste workers earned living wages. But when COVID-19 hit, we also found that we had activated an army of people who were not only waste workers but who could also serve as volunteers for their communities to help residents access other types of social education, like how to prevent the spread of COVID-19."

Shannon Bouton, president and CEO of McKinsey.org

Acting responsibly

Charting a net-zero future for our firm

Supporting the SDGs


7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

In 2020, we remained committed to our environmental goals and continued to raise our ambitions. The global pandemic disrupted our way of working, including a shift to remote working and sharp reduction in business travel, our largest source of greenhouse gas (GHG) emissions. Consequently, our emissions declined significantly in 2020 versus 2019.

While we recognize that these were unique circumstances, we are committed to building on the lessons we learned over the past year, including exploring alternative working models that are more sustainable. We also set science-based targets, which have been validated by the Science Based Targets initiative, to reduce our emissions in line with a 1.5-degree pathway. For our remaining footprint, we committed to remove carbon from the atmosphere, mainly through nature-based solutions, such as reforestation projects, to reach net-zero climate impact by 2030.

These new targets build upon our previous commitments to climate action in support of UN Sustainable Development Goal 13: to reduce emissions, transition to 100 percent renewable electricity, and become carbon neutral by fully offsetting our emissions every year.

A-

score on CDP's Climate Change questionnaire

CDP DISCLOSURE INSIGHT ACTION

We are committed to managing our environmental footprint in the following ways:

1. We rigorously measure, independently verify, and report on our progress annually.
2. We minimize our footprint, focusing on our largest sources of greenhouse gas emissions.
3. We invest in carbon-reduction projects to offset all emissions we have yet to eliminate.
4. We work with our suppliers to foster sustainable practices.

Our science-based targets

By 2025...

30%
reduction in Scope 3 GHG emissions from business travel per employee (compared with 2019)

25%
absolute reduction in Scope 1 and 2 GHG emissions (compared with 2019)

Acting responsibly

2020 greenhouse gas emissions

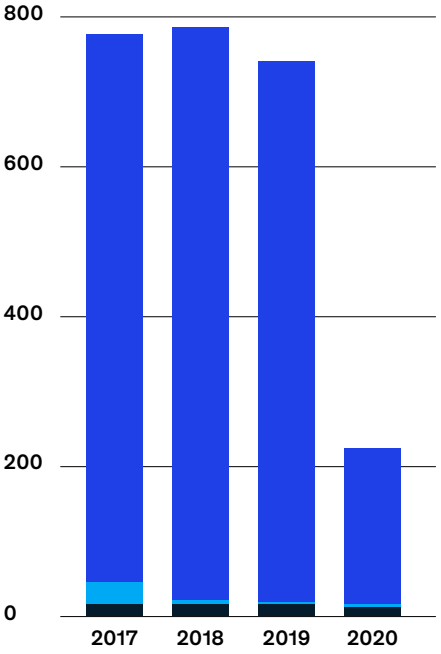
Supporting the SDGs

13 CLIMATE ACTION

We monitor our greenhouse gas (GHG) emissions and have them independently verified to ensure they align with the Greenhouse Gas Protocol and best practices. For example, we calculate our air-travel emissions using radiative forcing, which takes into account the higher global-warming potential of aircraft emissions in flight. In 2020, our total GHG emissions were 222,500 tCO_2e (market-based).

Our emissions in 2020 declined significantly, mainly driven by the shift to working remotely and the associated sharp reduction in travel as a result of the global pandemic. Overall emissions decreased by 70 percent, and emissions per capita also decreased by 70 percent, from 23.8 tCO_2e in 2019 to 7.0 tCO_2e in 2020.

Market-based GHG emissions by scope (thousand tCO_2e)



	2017	2018	2019	2020
Scope 1	16	16	15	12
Scope 2	29	5	3	3
Scope 3	735	767	725	208
Total	780	787	743	223

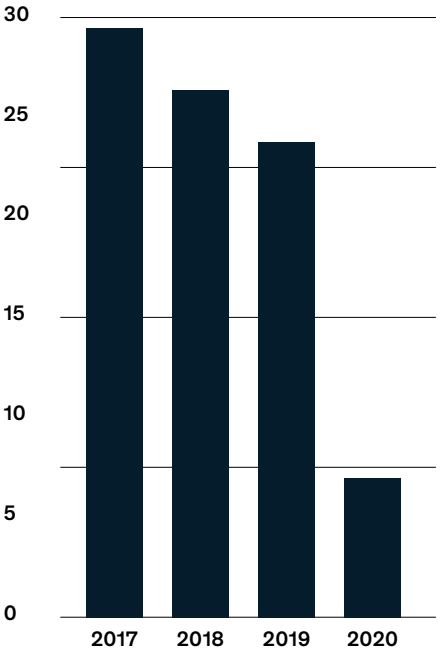
Note: Figures may not sum to total, because of rounding.

Scope 1: Direct emissions (for example, from combustion of fuels in owned or controlled boilers)

Scope 2: Indirect emissions from the generation of purchased electricity, heat, or steam

Scope 3: Other indirect emissions (for example, business travel, purchased goods)

Market-based GHG emissions per capita (tCO_2e)



	2017	2018	2019	2020
Per capita	29.5	26.4	23.8	7.0

Acting responsibly

Transitioning to 100 percent renewable electricity

Supporting the SDGs

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

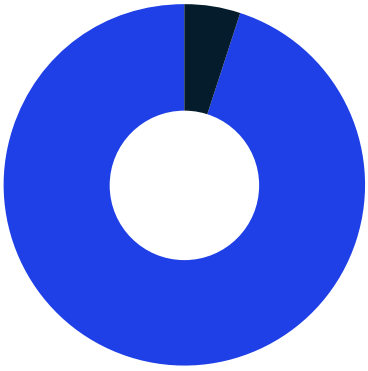
13 CLIMATE ACTION

In 2018, McKinsey became the first global consultancy to join RE100, a coalition of more than 300 organizations committed to using 100 percent renewable electricity.

We set a target of reaching this goal by 2025, and each year have made progress against this goal. In 2020, 95.0 percent of our electricity consumption came from renewable sources, compared with 94.9 percent in 2019 and 86.7 percent in 2018. We contract directly with local providers or purchase energy-attribute certificates, such as renewable-energy certificates (RECs) in line with RE100's technical criteria.[1]

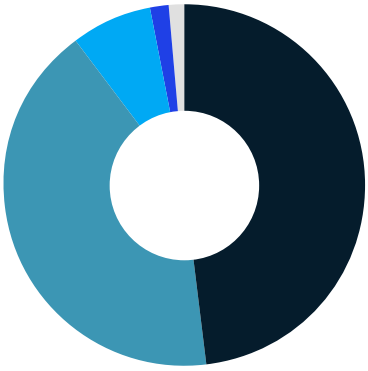
Because our colleagues often—and, in many cases, primarily—worked from home in 2020, and many continue to do so, part of our electricity consumption shifted from our offices to our homes, which we capture in our Scope 3 emissions. In addition, to support the transition to renewable electricity even in a remote-working model, several of our Green Teams explored and shared opportunities for colleagues to switch to renewable electricity for home use.

Renewable electricity, 2020



Non-renewable	5%
Renewable	95%

Renewable electricity mix, 2020



Wind	48.2%
Solar	41.7%
Hydro	7.3%
Biomass	1.5%
Geothermal	1.3%

RE100 | CLIMATE GROUP | CDP

95%

of our electricity consumption came from renewable sources in 2020

Learn more about RE100

Read more about how our Green Teams are helping make remote work more sustainable

1 RE100's technical criteria require companies to, among other things, source renewable electricity from within the market boundary of the market in which they are consuming the electricity. Due to a lack of sourcing options in some markets, we have not yet been able to reach 100 percent renewable electricity to date.

Acting responsibly

Offsetting all our emissions

Supporting the SDGs

We have been carbon neutral since 2018, compensating for all emissions we have not yet been able to eliminate, including those from business travel. We have achieved this by investing in carbon-reduction projects certified by international standards (such as Gold Standard and Verified Carbon Standard). To offset our 2020 carbon footprint, we invested in nine different projects worldwide, offsetting 222,500 tCO_2e.

These projects provide additional benefits beyond their climate impact. Many promote biodiversity while contributing to more sustainable livelihoods for local communities. Each project contributes to several SDGs.

To reach net-zero climate impact by 2030, we will neutralize the impact of our remaining footprint by investing in projects that remove carbon from the atmosphere. This represents a shift in our approach as we transition, over the next decade, from mainly investing in projects that ***avoid*** carbon being emitted into the atmosphere to investing in projects, such as reforestation, that ***remove*** carbon from the atmosphere. Meanwhile, we remain committed to protecting forests as well. In fact, achieving a 1.5-degree pathway requires nearly halting deforestation by the end of this decade, which would, in addition, also help tackle the rapid loss of biodiversity and ecosystems. We will continue to offset our emissions while working toward net zero.

Climate Neutral Company 2021 by South Pole

The Southern Cardamom project in Cambodia protects a diverse set of ecosystems—from dense rainforests to flooded grasslands, lakes, and coastal mangroves—and addresses local drivers of deforestation.

The borehole rehabilitation project provides rural communities in Rwanda with access to clean well water, eliminating the need to purify drinking water through boiling.

The Kasigau Corridor project in Kenya is replacing unsustainable agriculture practices and livelihoods with a range of sustainable alternatives, while promoting community health.

Learn more about our portfolio of carbon-reduction projects

Read our insights on the role of carbon credits in addressing climate change

Images courtesy of South Pole

Acting responsibly

Making our offices more sustainable

Supporting the SDGs

Our offices play an important role in addressing our environmental footprint. By improving energy efficiency, switching to renewable electricity, and minimizing our waste, we promote environmental sustainability in our offices worldwide. In the wake of the pandemic, we closed our offices to ensure the safety of our colleagues. This meant that, for 2020, our overall energy usage was lower, as was our waste generation.

While the next normal will undoubtedly mean that many of our colleagues will work remotely more often, we will also return to working from our offices and will continue to find new ways to create a more sustainable workplace.

As our commitment to sustainability remains woven into our broader policies and practices, it is also reflected in our real-estate standards. We aspire to the highest environmental standards for new offices and major renovations (LEED Gold or Platinum or equivalents). Forty-six percent of our office space already meets this level of certification; our Atlanta office recently achieved LEED Gold certification, our Brussels office achieved BREEAM Excellent in 2020, and additional projects are under way. In total, nearly two-thirds of our global office space has achieved green-building certification. As we return to our offices, we will also continue to work on eliminating single-use plastics from our locations.

46%

of our global office space is LEED Gold– or Platinum–certified (or equivalents)

65%

of our offices have achieved green-building certification

Acting responsibly

Green Teams from home

Supporting the SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

In more than 100 offices around the world, more than 1,000 colleagues have joined Green Teams to help reduce the firm's environmental footprint and build awareness of the importance of environmental sustainability.

The shift to remote working in 2020 meant our local environmental footprint expanded from our offices to our homes. In response, our Green Teams also shifted their focus, finding and sharing new opportunities with colleagues to make working from home more sustainable.

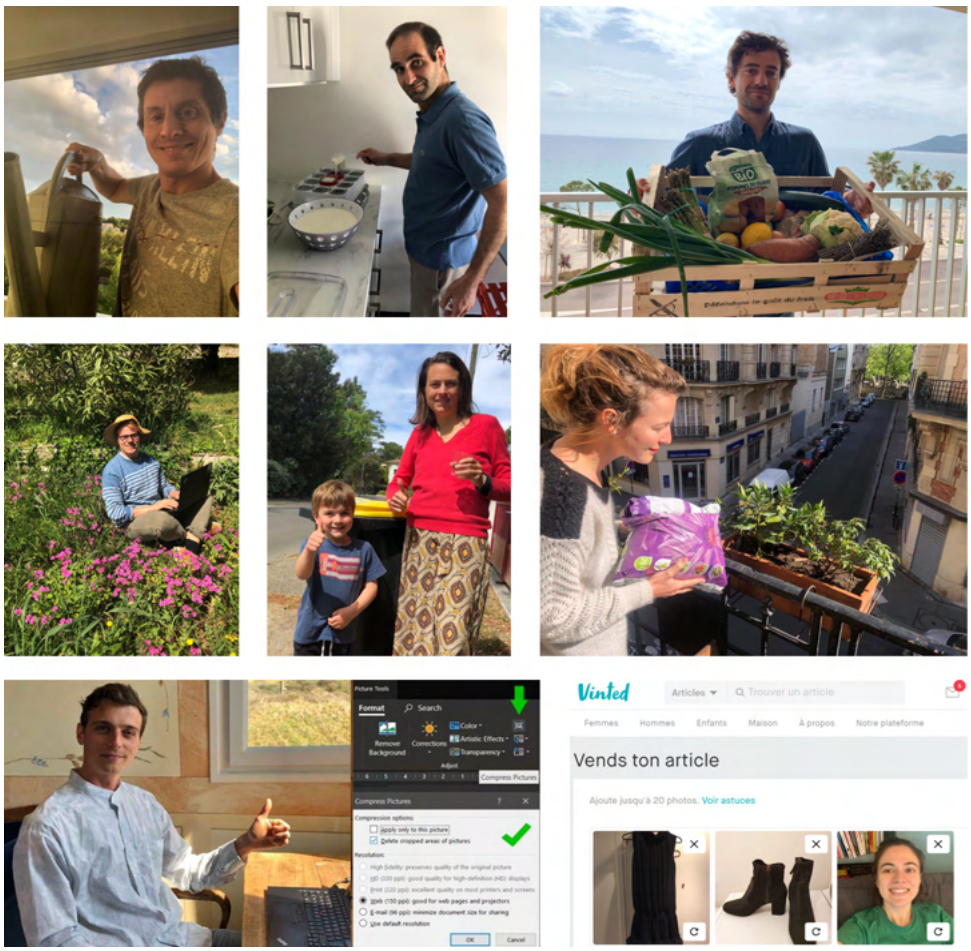
For example, several Green Teams helped connect colleagues to green-energy providers, while others gathered and shared practical advice for reducing energy consumption from remote work. As we return to our offices, Green Teams will continue to work with local colleagues and leaders to make these more sustainable ways of working a part of the next normal.

Examples

– The Amsterdam Green Team built awareness of local green-energy options for residential use.

– The Tampa Green Team ran a "Green in Quarantine" campaign that encouraged colleagues to adopt a sustainable work-from-home behavior each week (for example, reducing water usage).

– The Manila Green Team rolled out a campaign to inform colleagues about the responsible and sustainable use of bandwidth and data.



100+
Green Teams globally

1,000+
Green Team members globally

Acting responsibly

Working with our suppliers on environmental sustainability

Supporting the SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

In addition to embedding sustainability goals, principles, and requirements into procurement processes and decisions, we are committed to working with our suppliers to share what we have learned from our own sustainability journey and help improve the social and environmental impact of the goods and services they offer.

Because indirect emissions from travel account for more than 80 percent of our carbon footprint, we have made engaging with our travel-related suppliers on sustainability issues a focus of our efforts. While we recognize that 2020 was a difficult year for many industries, and the travel industry in particular, we continue to discuss opportunities with our suppliers—including more than 50 of the world's largest airlines and hotel groups—to rebuild better together and provide our colleagues with more sustainable options when we return to business travel.

Sustainability topics we have discussed with our travel suppliers include setting science-based targets, transitioning to sustainable aviation fuels, reducing single-use plastics, and switching to renewable-energy sources.

In 2020, we received an A score on CDP's Supplier Engagement Rating, placing us on CDP's Supplier Engagement Leaderboard for our efforts in engaging our suppliers on climate change and supporting the transition toward a net-zero sustainable economy.

65%

of our carbon footprint is accounted for by suppliers we engaged on sustainability topics

CDP DISCLOSURE INSIGHT ACTION

We were included on CDP's Supplier Engagement Leaderboard for our efforts working with our suppliers to improve environmental sustainability

Image courtesy of Getty

Living our values

We are committed to managing our firm—and our work with clients—in ways that are socially responsible and environmentally sustainable.

2020 highlights

Upholding professional standards

100%

of employees are required to participate in annual professional standards learning

Read our Code of Professional Conduct

The commitments we've made

We became a founding signatory member of the World Economic Forum's Partnering for Racial Justice in Business and Stakeholder Capitalism Metrics initiatives.

Our journey to 50% women

46%

Women now represent 46 percent of our colleagues globally...

47%

...and 47 percent of all new hires

Human Rights Campaign: Best Places to Work

Corporate Equality Index score of 100 for LGBTQ equality (every year since joining the survey in 2006)

The work we do

We took steps to strengthen our client-selection policies, professional standards, and risk and governance processes to ensure the work we do with clients is consistent with our purpose, values, and commitment to social responsibility.

Read more about client selection

Supporting our people

100%

of our people and covered family members have access to McKinsey-provided mental-health resources

Developing our people

100%

of our people receive regular career reviews and have access to personalized development opportunities

Serving clients

Selecting our client work

As we seek to create positive, enduring change in the world, we are committed to living the values on which our firm was founded almost 100 years ago. To that end, we regularly evaluate and update our governance processes, including the policy determining which clients we serve (and don't serve) and on what topics.

We continually reflect on how we seek to deliver positive impact through our client work. We take steps to strengthen our client-selection policies, professional standards, and risk and governance processes to ensure our work is consistent with our purpose, values, and commitment to social responsibility.

Our Client Service Policy requires that we evaluate the clients we serve and the likely impact of our work to determine if it meets the high expectations and ethical standards held by our colleagues, clients, and other external stakeholders. The policy includes five interrelated dimensions (referred to as "CITIO"): country, institution, topic, individual, and operational considerations, ensuring we consider unintended consequences of potential work, including potential negative impact to individuals, especially vulnerable populations. The policy also specifically addresses work we will not perform. In addition, our Client Service Risk Committee, composed of global leaders from across functions and practices, regularly reviews cases in which the potential issues related to our client service require additional consideration, discussion, and input.

We will continue to build on recent conversations related to our client work to advance discussions about our values and, critically, the actions we all take, to ensure they are consistent with our purpose and commitment to social responsibility.

Read more about our client and engagement selection process

Image courtesy of Getty

Acting responsibly

Delivering through diversity

Advancing diversity and equity

We have a deep and long-standing commitment to advancing diversity, equity, and inclusion in business, in society, and within our firm. This commitment is integral to our dual mission: to help our clients make substantial, lasting performance improvements and to build a firm that attracts, develops, excites, and retains exceptional people.

We know that diverse teams are tied to better business performance and that an inclusive culture is imperative to retaining all colleagues. We encourage diversity in all its forms, including age, race, sexual orientation, gender identity, disability, and socioeconomic background. Recognizing that our people are our most valuable resource, we remain deeply committed to rooting each colleague's experience in opportunity and fairness.

McKinsey maintains a fully dedicated team led by our chief diversity officer to help us achieve our goals. These colleagues draw on a global center of excellence and work across the firm to define strategies and implement best practices, all in line with our own research and customized to the needs of our organization.

The events of 2020 further strengthened our commitment to doing more to foster diversity, equity, and inclusion. We looked for ways to accelerate our existing programs and add new actions to propel change within our firm and to combat racism across the world.

Transparency and accountability

Across our firm, we've heightened leadership accountability for our change efforts, created greater data availability and visibility,[1] and shared best practices based on what we know works. We put forth a public commitment to anti-racism and social justice in our 10 Actions and became a founding signatory member of the World Economic Forum's Partnering for Racial Justice in Business and Stakeholder Capitalism Metrics initiatives, further signaling our commitment to continue to improve and share our progress on fostering diversity, equity, and inclusion across the firm.

We are proud of the progress we have made, and in this report we share a snapshot of where we are in our journey and—more importantly—where we are headed. Today, women represent nearly half of our colleagues and new hires globally. In the United States, colleagues from underrepresented groups[2] represent 38 percent of our total US workforce, and 34 percent of leadership. Over the past five years, the number of US colleagues and leaders from these groups has increased by more than 10 percent. But we know we can do better, and we have committed to doing more. In 2021, we will welcome our largest class ever of Black and Hispanic/Latino summer interns, more than triple the size of the 2019 class. In addition, as part of our 10 Actions, we seek to double our Black leadership and hiring of Black colleagues in our firm over the next four years.

Following we highlight some of the ways we are continuing to build on this progress and foster an inclusive firm where colleagues from all backgrounds can bring their whole selves to work and do their best work every day.

1 Where permitted by law.
2 Black/African American, Asian/Asian American, and Hispanic/Latino.

Acting responsibly

Delivering through diversity

Advancing diversity and equity continued

Talent development

In 2020, we implemented best practices for sponsorship, a commitment that goes beyond mentorship by creating career opportunities and offering support through transitions; expanded existing talent-development programs; and added new ones to further support our colleagues in their advancement through the firm, including:

- **Women's Leadership Workshop:** a global manager training workshop designed to initiate an introspective, strengths-based discussion to develop the leadership skills and peer network needed for success in leading teams.
- **Pathway to Partner:** a program for senior engagement managers that provides an opportunity to build leadership while expanding support networks.
- **McKinsey Black Network sponsorship program and Endeavor learning journey:** programs that help advance experienced Black colleagues across several initiatives, including structural support for effective sponsorship, partner-readiness apprenticeship opportunities, and a series of tailored personal coaching and training programs.

Recruiting diverse talent

We look to build teams that reflect the diversity of our clients, the communities in which we work, and society as a whole.

We are constantly looking for new ways to reach people who might not otherwise consider McKinsey or consulting. For example, we have several partnerships with external organizations to help us connect with top talent, including the National Society of Black Engineers, Society of Hispanic Professional Engineers, Sticks & Stones (SXS), EUROUT, Grace Hopper, and JumpStart Advisory Group.

We also created A Place for You, a campaign focused on connecting underrepresented talent to careers in management consulting through training and webinars with our consultants and recruiting team.

Last year, we also created an initiative to help talented people get to know us better: the McKinsey Achievement Awards. Recipients receive monetary awards to support their academic or professional development and join a mentorship program.

In 2020, we expanded our recruiting efforts tenfold at Historically Black Colleges and Universities (HBCUs) in North America. We also held the McKinsey Juntos Conference in Brazil for young Black talent to connect, meet Black professionals with inspiring stories, develop new skills, engage with large companies, and learn about career opportunities.

10 Actions in our firm

Since the launch of our 10 Actions in June 2020, we have focused our efforts within our own firm on expanding and adding new programs to support Black leadership, increasing our hiring and pipeline of Black talent, and engaging our colleagues in anti-racism and inclusion learning. We know we have much more to do, and we will continue our steadfast journey to build a more diverse and inclusive firm.

150%+

increase in the number of full-time offers made to new Black recruits in North America from 2020 to 2021

24,000

colleagues globally went through our new racial justice and inclusion training program by the end of 2020

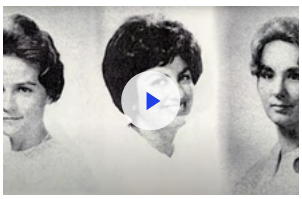
Meet a few of our talented colleagues from around the globe

Acting responsibly

Delivering through diversity

Supporting women at McKinsey

Our aspiration is to ensure that women are equally represented across all levels of our firm, have an exceptional environment for growth and advancement, and feel fully supported at McKinsey. For the past decade or more, we have invested heavily in policies and programs to enable women at McKinsey to build exceptional careers, including specific learning-development programs, support for caregiving leaves, inclusive leadership and unconscious-bias training, and a global initiative to ensure our women are fully sponsored, with colleagues and leaders actively invested—and investing—in their success. We have seen meaningful progress from this work. Women now represent 46 percent of our colleagues globally and 47 percent of all new hires. What's more, our number of female partners has more than doubled in the past five years, and, in 2020, women made up 30 percent of our executive committee.



75 years of women at the firm

Meet some of our newest women partners

In 2020, a year in which women were stretched more than ever before, we redoubled our efforts to provide support to help our colleagues deal with COVID-related challenges. We expanded our existing flexibility programs to provide increased benefits, including additional paid leave and creative scheduling options for those who needed it. Over the first several months of the pandemic, we leveraged our existing communities to hold town halls, expert learning sessions, and informal get-togethers to encourage colleagues to connect and to provide more resources.

By the numbers

Women represent:

- 46% of colleagues
- 47% of new hires
- 21% of leadership[1]
- 30% of executive committee members[2]

3x

the number of women partners over the past ten years

2x

the number of women senior partners over the past ten years

Partnerships to advance gender parity

We work in partnership with leading organizations:

- Lean In
- UN HeForShe
- VMware Women's Leadership Innovation Lab
- 30% Club
- Chefsache
- Male Champions of Change
- Women's Alliance Group
- Valore D

1 All client-facing partners, associate partners, and other senior firm leaders.

2 At the end of 2020.

Acting responsibly

Delivering through diversity

Making inclusion and allyship our shared work

We know from our research and experience the power that diverse teams can have. To bring the best solutions to our clients, we need exceptional people from different backgrounds who bring fresh perspectives and approach problems from multiple angles. The gains that diversity promises are achieved only in tandem with an equitable and inclusive environment—a culture in which every colleague feels a deep sense of support, respect, and belonging.

We believe that inclusion is *everyone's* responsibility and a critical leadership skill. We continue to embed this expectation in our systems and culture. Our Leadership Development Model identifies qualities of inclusive leadership as success factors in our evaluation process. In 2020, we launched anti-bias trainings for all colleagues involved in evaluations and shared tactical tips on mitigating bias for assessors involved in interviews.

We also integrate principles of inclusion into our learning programs from day one and offer inclusion-focused training for colleagues at all levels. In addition, in 2020, we developed a firmwide anti-racism and inclusion training for all colleagues globally, including a new introduction to allyship.

Inclusion Allies

We launched an Inclusion Allies program in 2020 to expand upon a long history of colleagues acting as allies to each other. As of early spring 2021, more than 12,000 colleagues had opted into this change program designed to develop, connect, and activate a global cohort of inclusive leaders. One component is our Inclusion Nudging effort, which helps prompt individual behavior change on a large scale by nudging participants to act on a set of inclusive microhabits. A few examples of these nudges include taking time to introduce new team members and giving colleagues credit for introducing new ideas during discussions.

Another element of the program is an Everyday Allyship campaign, in which colleagues from historically underrepresented groups share their perspectives on how allies can support them.

Inclusion learning

We significantly expanded our equity and inclusion learning programs in 2020. Notably, 24,000 of our colleagues across the globe went through our new racial justice and inclusion training program in 2020. We also achieved 100 percent location participation for our firmwide Day of Service, in which colleagues worldwide served hundreds of nonprofits through direct volunteering and problem-solving workshops focusing on racial and social equity issues.

More broadly, we have integrated principles of diversity, equity, and inclusion in every learning program's core curriculum.

As part of our 10 Actions, we also committed to continuing to eliminate bias in our people processes and launched anti-bias and inclusion training globally. This includes anti-bias training for all colleagues involved in evaluations, trained bias observers embedded in performance discussions, and guides for mitigating bias in interviews, provided to assessors globally. Unconscious-bias training is available to all leaders to support evaluations, and inclusive leadership training is embedded in colleagues' learning journeys.

Acting responsibly

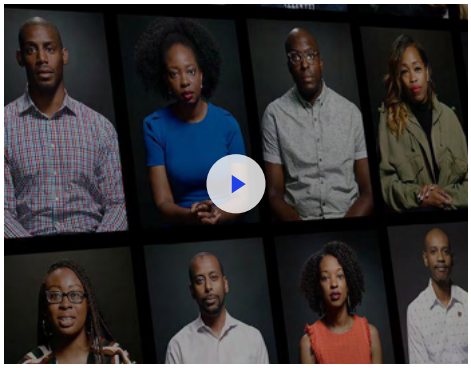
Delivering through diversity

Making inclusion and allyship our shared work continued

Our networks

Our groups and communities continue to grow and include, among many others, the McKinsey Black Network, Hispanic/Latino Network, Asian and Asian Americans at McKinsey, GLAM (for LGBTQ+ colleagues), Access McKinsey (for colleagues with disabilities), Indigenous at McKinsey, and Parents of Special Children. These networks are cherished communities that support personal and professional advancement.

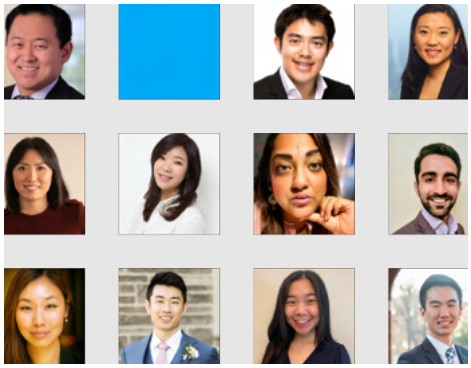
As we strive for more inclusive workplaces and societies, one element that's often missing is a shared understanding of lived experience. Through our networks and other efforts, we actively seek to bring in diverse voices of our colleagues.



Our Black voices

Hearing from members of the McKinsey Black community is not only self-evident in its power but also necessary. Our colleagues share perspectives on their Black experience—in the workplace and beyond.

Our Black Voices



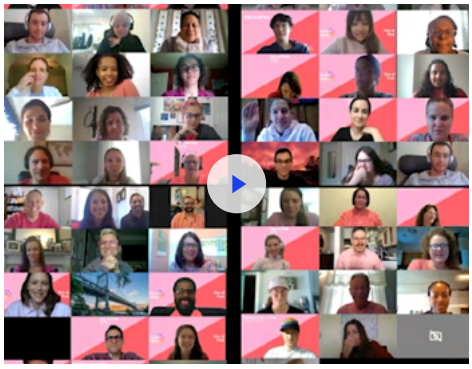
Our Asian voices

The last year has seen a rise in acts of racism against people of Asian descent. "Our Asian Voices" shares the perspective of 72 Asian colleagues—on what Asian identity means, what allies can do to support them, and how they are processing this moment.

Our Asian Voices

Celebrating 25 years of GLAM

2020 marked the 25th anniversary of GLAM, our worldwide network of LGBTQ+ colleagues who support one another and are committed to attracting exceptional LGBTQ+ individuals into the McKinsey community.



Recognition for our support of LGBTQ+ colleagues

Human Rights Campaign: Best Places to Work: Corporate Equality Index score of 100 for LGBTQ equality (every year since joining the survey in 2006)

India Workplace Equality Index: McKinsey India was recognized as a Gold employer by the India Workplace Equality Index for its commitment to advancing equality for LGBTQ+ people

Japan Work With Pride: Our Japan office earned a Gold rank in the Work With Pride Index

Acting responsibly

Supporting our people

Our people are central to everything we do. We are committed to supporting them by creating an unrivaled environment that allows them to thrive professionally and personally.

In 2020, that commitment was tested in ways we had never encountered, as it was for thousands of organizations worldwide. When our firm made the decision to suspend travel and close our offices to protect colleagues' health and safety, that decision disrupted a decades-long culture of in-person partnership between colleagues and clients. A number of our colleagues were working abroad at the time and needed to get home. Many were thrust into working from home alongside their partners and their children who were home from school and daycare centers. And many had concerns about the care and safety of their older family members.

To support our colleagues through the early days of the pandemic, we created a COVID-19 response team to manage the logistics of getting colleagues home and, in some cases, support their immigration and visa needs. The team also kept up with changing government restrictions across the globe and helped colleagues with questions or concerns about their or their family's health.

We also convened a variety of benefits to help our colleagues balance their personal and professional commitments, including part-time and flexible working programs, backup child- or eldercare solutions, and leaves of absence.

To better support our people, we seek to understand what they truly value and need and how we can build a firm that better delivers against their expectations. Every year, we conduct an extensive firmwide people survey, which helps us to capture our colleagues' experience from the past year and informs what we as a firm can do to improve their experience. Questions range from satisfaction to purpose to belonging. Nearly 80 percent of our colleagues, across all tenures, roles, and geographies, participate in the survey every year. Colleagues and firm leaders receive the anonymized and aggregated results, which they use to draw meaningful insights to help shape the direction of the firm.

When the pandemic led to the closure of many of our offices, we realized we needed a more frequent touchpoint to understand and meet the needs of our people, even as COVID-19 kept us physically apart. We introduced a weekly "Pulse," a short survey sent to all colleagues to understand how our people are feeling and to identify opportunities to better connect and support colleagues' changing needs. We continue to draw on the insights from our Pulse surveys to tailor resources and support for our people worldwide.

Acting responsibly

Supporting our people

continued

Caring for the whole person

While the pandemic encouraged us to further support our people, we have always offered generous healthcare benefits, life insurance, disability coverage, and retirement programs. And our efforts extend well beyond benefits.

We offer a range of programs to ensure our people can do their best work every day while balancing their personal priorities, such as flexible working conditions and generous parental leave.

Take Time, for instance, gives consultants the option to take an extra five to ten weeks off between projects, while Pace helps them stay in their current role longer to reduce the pressure to fulfill new requirements. There are also part-time programs and opportunities for short- or long-term rotations.

Generous and flexible leave benefits are available for birth, nonbirth, and adoptive parents; a dedicated mothers' network provides coaching and support; and a "phase back" option helps employees transition back to work after parental leave.

The pandemic also prompted us to strengthen the sense of belonging within the firm, and we sought to include our colleagues' families in regular updates from our global managing partner and other firm leaders. These Family Briefings share what we do with our colleagues' parents, children, and friends and help foster community within our broader firm family.

100%

of our people have access to relevant benefits based on their locations, regional regulations, roles, and other factors

Acting responsibly

Supporting our people

continued

Ensuring the well-being of our people

Our people are central to everything we do. We are committed to supporting them by creating an unrivaled environment that allows them to thrive professionally and personally. As the pandemic continued, it became clear that increasing support for our people's well-being was critical. The emotional toll of the pandemic and the ongoing physical separation from family, friends, and colleagues left many people feeling anxious and isolated. Racial and social inequities added additional tension to an already difficult year.

In 2020, we expanded our Mind Matters program, which helps colleagues manage stress associated with work or their home life and maintain a sustainable work-life balance. It also helps colleagues and their families identify mental-health support and resources when needed. The program offers free, independent, and confidential support from clinically trained professionals and an intranet portal with easy access to community and global resources.

100%

of our people and covered family members have access to McKinsey-provided mental-health resources

mind matters
Supporting the conversation on mental health

The app Headspace has also offered peace of mind to more than one-third of our colleagues, who have used the firm-provided program to relieve stress and build resilience. Shleep, a new program designed to improve sleep habits, helped 87 percent of colleagues in a recent pilot get more rest.

These resources integrate well with our existing offerings in the My Experience program, which is designed to support employees holistically—mind, body, and purpose—so that they can bring their whole selves to work every day. Happier and healthier people not only perform better but also feel supported and are able to enjoy a better work-life balance. The My Experience program covers topics related to health and wellness, including exercise, nutrition, sleep, mindfulness, work-life balance, and life coaching.

Developing our people

We give our people unrivaled learning opportunities, investing more than $700 million a year in knowledge development, learning, and capability building. Learning is embedded in every aspect of our work. For example, a core learning journey exists for each role at McKinsey, comprising in-person, virtual, and digital solutions. McKinsey colleagues also have access to elective, on-demand learning and participate in formal and informal learning events.

However, in 2020, many of our signature in-person learning programs moved online, requiring new ways to connect and learn together. We virtualized much of our curriculum, including half-, full-, and multi-day instructor-led programs, and we added hundreds of digital, self-directed electives to serve the needs, schedules, and curiosity of our colleagues. In particular, we launched a firmwide equity and inclusion training program for all colleagues as part of our 10 Actions. We also sought to deepen our sponsoring and mentoring relationships, which are a particularly important facet of our inclusion efforts.

Looking ahead, our goal is to ensure that every colleague has access to a breadth of relevant learning opportunities—including leadership development, expertise building, and technology learning—over the course of 2021.

96%

of consultants believe their sponsors support their development and progression at the firm[1]

100%

of our people receive regular performance and career-development reviews

1 From our 2020 People Survey.

Acting responsibly

Supporting social responsibility through our supply chain

We are committed to managing our firm in ways that are socially and environmentally responsible and that make a difference in our communities. This commitment extends to our choice of suppliers and the goods and services we purchase from them. Our global Sustainable Procurement Policy outlines our ambition to deliver positive social and environmental impact through our selection, purchase, use, and disposal of products and services, and through the way in which we work with our suppliers to improve the social and environmental impact of the goods and services they offer.

Shaping more socially responsible choices every day

As a professional-services firm with 34,000-plus colleagues working from more than 130 offices in more than 65 countries, much of our spending is decentralized. We help our colleagues across the globe find opportunities to shift their spending to support environmental and social goals. For example, we highlight sustainable options and products from diverse suppliers in our ordering systems, work with local offices to identify diverse suppliers, and maintain a database of green hotels.

We also highlight sustainable travel alternatives, such as rail for certain routes or green taxi services, in our travel tools and systems and through internal awareness campaigns.

To spread awareness of our policies, practices, and Code of Professional Conduct, we require all colleagues to participate in regular training. Our procurement professionals also receive specialized training on topics such as sustainable procurement principles, risk, and ethics.

100%

of procurement team colleagues have received specialized training on risk and ethics

Defining supplier expectations

We hold our suppliers to the same high standards of social responsibility that we hold ourselves. Our Supplier Code of Conduct defines our expectations of the organizations that work with us. The code reflects McKinsey's values and our expectations of our suppliers, including acting ethically and with integrity; maintaining data privacy and security; embracing inclusion and diversity; ensuring fair employment and wages; reducing environmental impact; and providing working conditions that support safety, well-being, and health. We expect our suppliers to adhere to the code, and our standard master services agreement template for supplier services incorporates the code and sets out our expectation that suppliers meet our standards, including for data privacy and security, anti-corruption, and equal-employment opportunities.

Read our Supplier Code of Conduct

Image courtesy of Getty

Acting responsibly

Supporting social responsibility through our supply chain

continued

Supporting supplier delivery

In 2020, as part of our 10 Actions toward racial equity, we put forward Action 7: Double our spending with diverse suppliers within three years.[1] To make progress toward this goal, we are revamping many of our internal purchasing processes and continue to enhance our base of diverse suppliers. We are growing our network of supplier diversity champions across the organization, building and implementing detailed action plans within many of our top-spend categories, establishing corporate memberships with respected nonprofit organizations that promote supplier diversity, and communicating the importance of this issue to many of our largest suppliers to expand our impact beyond our own supply chain. We also bring our capabilities and resources to help strengthen diverse-owned businesses by, for example, providing training, leadership development, workshops, and networking opportunities.

30+

key suppliers engaged on their own supplier diversity practices

Strengthening diverse-owned businesses

Ops Corps, an initiative led by our Operations Practice, seeks to advance racial equity and economic empowerment by serving small and medium-size Black-owned businesses and their leaders. The initiative offers training, networking opportunities, and pro bono support on operations topics. Launched in 2020, Ops Corps held two virtual conferences, welcoming more than 500 attendees, including Black executives and owners of Black-owned small and medium-size businesses. Ops Corps has also provided pro bono consulting services to several Black-owned businesses and is accelerating these efforts in 2021.

Essential reading

- Building supportive ecosystems for Black-owned US businesses
- COVID-19's effect on minority-owned small business in the United States

1 Applies to specific categories of diverse suppliers.

Acting responsibly

Upholding the highest professional standards

McKinsey is committed to working to protect human rights, upholding international labor standards, and opposing bribery and corruption. Underscoring this commitment, we became a participant of the UN Global Compact in 2018.

We have strict policies and professional standards that apply to every member of the firm. Topics addressed by our policies include, among others, anti-corruption and bribery, confidentiality, conflict of interest, anti-competitive practices, information security, personal investments, employment of relatives, fraud, and a full range of business-ethics topics. Any breach of these standards is subject to comprehensive investigation and subsequent appropriate action.

Every firm member has the right and obligation to raise concerns about values, ethics, and professional conduct without fear of retribution. In addition to clearly defined internal channels, we have a global hotline that allows colleagues to raise concerns relating to potential violations of law and the firm's policies, professional standards, and values in a confidential manner and, where legally permissible, anonymously.

Our Code of Professional Conduct

Our Code of Professional Conduct defines a set of expectations for the behavior of all firm members. It serves as a guide to help colleagues understand the core elements of our policies and how those policies are anchored in our values. We expect all colleagues to comply with this Code of Professional Conduct, and we expect others working on our behalf, such as contractors, advisers, and other suppliers, to act in a manner that is consistent with our code.

Read our Code of Professional Conduct

Acting responsibly

Upholding the highest professional standards

continued

Building awareness and a culture of professional standards

We are a values-driven organization, and our training in and awareness of professional standards build upon this foundation. McKinsey communicates applicable requirements to its employees through a series of in-person and online trainings. All new hires are required to understand and adhere to McKinsey's Code of Professional Conduct, participate in an in-person onboarding session where they learn about our values, complete digital training modules on key compliance risk areas, and certify annually their compliance with key policies and the firm's Code of Professional Conduct. In addition, all employees are required to participate in annual professional standards learning modules that address policies and expectations outlined in our code.

We also hold discussions at our annual Values Day, a required event for all colleagues, delivered in each of our locations worldwide, to reflect together on what it means to live our values. Specific additional training is provided based on function and role. And our policies and detailed guidelines are also available online to all employees via our intranet and various learning modules.

We expect our leaders to model our values and professional standards, including, among other principles, inclusivity and allyship, ethical behavior, and apprenticeship.

To ensure consistency and fairness in our processes related to professional standards, we have a clear governance structure and approach to consequence management for all firm members. This structure includes, among others, the following:

- Professional Standards Committee, a global committee of senior partners who address potential violations of firm policies or values by partners
- Client Service Risk Committee, a global committee of senior partners who provide advice and decisions on the most complex risks we face in client service
- A global network of colleagues trained on managing personal-conduct situations and supporting internal reviews of alleged violations of firm policies or values by any firm member
- A global consequence-management system grounded in clear principles and calibrated to the nature of complaints and potential violations.

Learn more about our professional standards

100%

of employees are required to participate in annual professional standards learning

100%

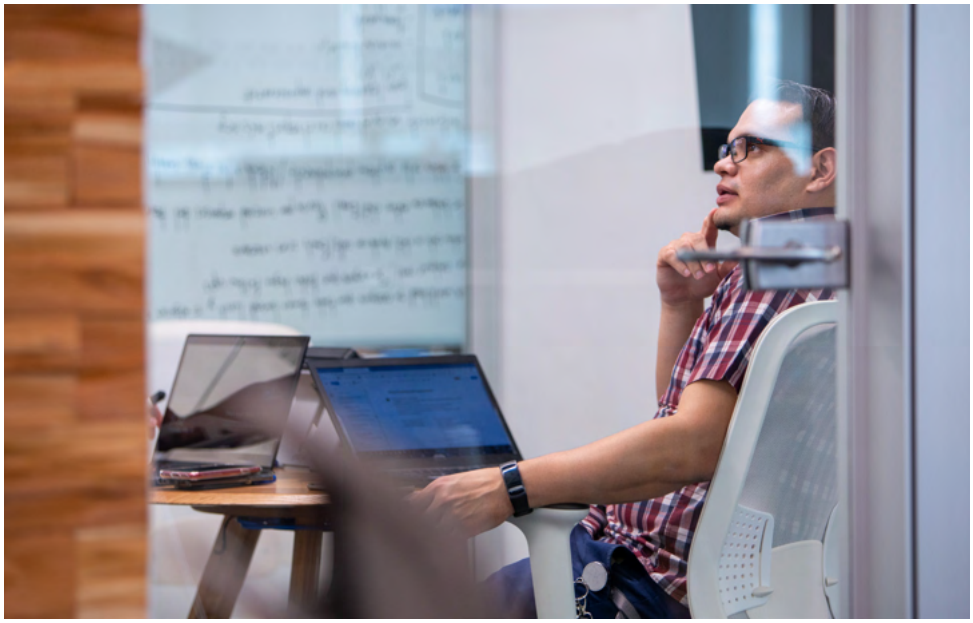
of locations held a Values Day in 2020

Acting responsibly

Human rights and labor

Our firm is a caring meritocracy, and we strive to create a work environment that supports, inspires, and respects all colleagues, applicants, and clients. To that end, we are committed to upholding internationally proclaimed human rights and internationally recognized labor standards. We stand against the use of child, forced, or exploited labor, as well as forced or exploitative working conditions. We will not assist clients in such practices in any way.

In addition to our policies related to human rights and discrimination and harassment, our Code of Professional Conduct defines a set of expectations for the behavior of all firm members and for others working on our behalf. As outlined in our Client Service Policy, our commitment to human rights informs whom we serve and on what topics, and we will not do work that supports or enables human-rights violations. We do not tolerate physical violence, threats, bullying, or verbal abuse of any kind in the workplace, whether in our own or in our clients' locations. We also require suppliers to comply with McKinsey's Supplier Code of Conduct, which prohibits all forms of forced labor, child labor, and human trafficking, and requires compliance with all laws regarding discrimination, harassment, and retaliation.



We support our human-rights-related policies and our code with regular awareness-building activities and training. All new hires are required to read McKinsey's Code of Professional Conduct and participate in an onboarding session where they learn about our values, which address key topics such as inclusion, discrimination, and harassment. In addition, all McKinsey colleagues are required to review our core policies at least annually—including those related to human rights—and certify that they will comply with those policies.

All McKinsey employees are required to participate in annual professional standards learning. And each colleague's core learning curriculum includes training on topics related to diversity and inclusion and personal conduct—such as unconscious bias, inclusive leadership, psychological safety, sponsoring diverse colleagues, mental health, sexual harassment, and bullying.

100%

of employees are required to participate in various training efforts on human-rights issues such as inclusion, discrimination, and harassment

Acting responsibly

Human rights and labor

continued

Human rights

Our Human Rights Policy sets out these commitments, along with the firm's responsibilities and governance:

- We strive to adhere to the principles set forth in the UN Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The policy includes firm members' right to agree to terms and conditions of employment voluntarily, without coercion, and to freely end their employment with appropriate notice.
- The policy applies to all firm members, and all firm members are responsible for their own actions and for the firm's compliance with this policy. Any firm member failing to follow this policy will be subject to disciplinary action, up to and including separation from the firm.

Our UK Modern Slavery Statement, a country-level statement, further demonstrates our commitment to upholding these principles.

As a UN Global Compact participant, we uphold the freedom of association and the effective recognition of the right to collective bargaining. We adapt our practices to different locations based on local legislation and our efforts to create an unrivaled environment for our people.

As outlined in our Code of Professional Conduct, in addition to clearly defined internal channels, we have a global hotline that allows colleagues to raise concerns relating to any human-rights issues in a confidential manner and, where legally permissible, anonymously. We do not tolerate retaliation of any kind against employees who in good faith report potential or actual ethics or legal violations.

Read our human rights statement

Discrimination and harassment

Our Ensuring an Environment Free from Discrimination and Harassment Policy makes clear our expectation that all firm members must be able to work in an environment free from harassment and discrimination. The policy expressly prohibits the following:

- Any form of discrimination, harassment, bullying, or other offensive conduct toward any individual on the basis of race, color, religion, sex, sexual orientation, gender identity, marital status, pregnancy, age, disability, national or ethnic origin, military-service status, citizenship, or other characteristic
- Any behavior that makes the work environment hostile, intimidating, or offensive to colleagues because of any characteristic listed above
- Any form of retaliation against any individual who in good faith reports a complaint under this policy or who assists in an investigation

The policy enables reporting of all incidents of discrimination, harassment, or retaliation, regardless of the offender's identity or position, via clearly designated reporting channels. Individuals who are found to be responsible for harassment, discrimination, or retaliation will be subject to disciplinary action, up to and including termination of employment.

Acting responsibly

Anti-corruption

McKinsey's stance on corruption is simple: we will not offer, accept, solicit, or pay a bribe, in any form and of any value, to any person, including to get business or secure any advantage in connection with the firm's business, and we will never ask a third party to do so on the firm's behalf. We are committed to complying with the anti-corruption laws of all the jurisdictions in which we operate, including the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act.

The firm's anti-corruption efforts are overseen at a board level by the Risk, Audit, and Governance Committee (RAGC), along with other relevant committees. Our director of compliance, supported by a dedicated team and in close collaboration with our legal team, shapes and manages the policy and related internal firm practices.

Our Anti-Corruption Policy expressly prohibits any form of bribe or kickback and provides guidelines for gifts, meals, hospitality, and other areas of potential risk. It sets out processes for reporting concerns, ensures confidentiality, and underscores that all firm members have the right to raise ethical concerns without fear of retaliation.

The policy requires procedures for accounting and record-keeping controls and places responsibility for monitoring and testing on the firm's compliance, finance, and internal audit departments.

Any firm member failing to follow this policy will be subject to disciplinary action, up to and including separation from the firm, and may be subject to proceedings brought by government law-enforcement agencies.

Regular anti-corruption training and policy-compliance certification are mandatory for all firm members as part of our annual Professional Standards & Risk learning curriculum. Training programs tailor-made to specific firm roles help ensure the curriculum is applicable to firm members and provides practical guidance in potential, real-world situations. Additionally, certain roles—including legal, risk, and finance, among others—receive additional specialized training targeted directly to their responsibilities in support of the policy.

In addition to our Anti-Corruption Policy, our Code of Professional Conduct outlines the personal obligation of every colleague, and of people working on our behalf, to uphold our values, including acting with integrity and avoiding even the perception of corruption or bribery.

We have the trust not only of the clients that we serve but also of the communities in which we operate and of the talented people who join our firm. That trust and our reputation for integrity and independence are precious. Our ability to have impact for our clients, provide opportunities for our people, and contribute to the economies and societies in which we live and work depends on that trust.

Acting responsibly

Anti-corruption

continued

We will not participate in any form of corruption, and we have an obligation to speak up if we encounter actual or perceived corruption. Firm members, and anyone acting on our behalf, must not offer gifts or favors to gain any form of advantage for ourselves, our colleagues or any third party, nor can we accept gifts that are intended to influence us, and we do not give preferential treatment in our merit-based hiring processes.

McKinsey's Supplier Code of Conduct sets forth McKinsey's general expectations of suppliers, specifically with respect to offering and accepting gifts and entertainment, and complying with requirements of all applicable bribery and anti-corruption laws. The firm has embedded risk-based, anti-corruption due diligence procedures in our vendor and third-party onboarding processes. To ensure that all firm members are aware of the risks of working with third parties, we provide detailed information on red flags in third-party relationships, which is available to all firm members.

100%

of employees are required to participate in annual professional standards learning, which includes such topics as ethics, anti-corruption, and risk management

Acting responsibly

Data privacy and security

Throughout our history, our clients have trusted us with their confidential information. Protecting that information is one of our core values. This commitment has taken on even more importance in the digital age, as the ability to collect and create data, particularly personal data, has become easier; the value of analyzing data greater; and the regulatory requirements and restrictions respecting the processing of data more complex.

We are committed to meeting the highest standards of both data privacy and data security, whether the data belong to our clients, our business partners, third parties, or firm members. In addition to our policies and practices highlighted below, our Code of Professional Conduct defines a set of expectations for the behavior of all firm members, including protecting data privacy and security.

In 2020, 99 percent of colleagues completed training courses covering data-privacy principles, data-protection practices, and cybersecurity behaviors. Indeed, in both 2019 and 2020, we received a Guardians of Trust Award, which honors leaders in information security, in recognition of our program of penetration testing on firm and third-party applications using crowdsourced ethical “white-hat” hackers.

Data privacy

We have implemented a global data-privacy program that builds on the requirements of the European General Data Protection Regulation (GDPR) as well as other data-protection laws. By following regulatory requirements and best practices, we meet our data-privacy legal obligations to individuals and contractual commitments to our clients. McKinsey has adopted a Global Data Protection & Privacy Policy that governs all client and firm data-processing activities. The firm’s policy requires that personal data are collected, accessed, used, and shared only on a strict, need-to-know basis and only as necessary to support the firm’s and our clients’ fair and lawful processing purposes. The policy further requires that personal data are deleted when there is no longer a legitimate purpose for retaining them, in accordance with applicable laws. The data-privacy team provides firm members with guidelines for protecting all personal data, including client data, in connection with the firm’s activities, such as recruiting, promotional events, communications, and client engagements. The firm’s data-privacy policy is reviewed on an annual basis, and all firm members are required annually to acknowledge the policy and confirm their commitment to comply with it.

Acting responsibly

Data privacy and security

continued

Data security

Our information-security strategy focuses on the people, processes, and technology that play a role in maintaining our clients' trust and protecting our clients' information by taking a risk-based approach to managing our digital assets; having industry-leading information-security technologies in place; undertaking regular cyber-related training for our people (for example, phishing testing); and ensuring our products and systems are deployed with security built in. Our objective is to implement best-in-class defenses, including technical solutions, governance, and employee capability building. Systems and controls are designed to meet ISO/IEC 27001 standards, in combination with industry best practices. An independent third party assesses McKinsey's information-security organization and its security program every year based on the ISO 27001 standard (2013) and additional technical testing of the McKinsey environment.

Our information-security program includes performing thorough assessments to evaluate and validate the security controls in place for new applications, systems, cloud environments, and third-party vendors. Where appropriate, these assessments also confirm certain data-privacy requirements, ensuring that each vendor commits to applying adequate technical and organizational measures to protect the personal data it processes on behalf of McKinsey. In addition, our legal team ensures that all vendor agreements include appropriate representations and obligations respecting the protection, processing, and transfer of the firm's data, including personal data where relevant. Our security-operations center is designed to ensure a high level of information security for McKinsey's applications (internal and external), systems, and all related data by providing best-in-class security-incident detection, analysis, containment, and mitigation.

Training

We require all employees to complete several forms of data-security and data-privacy training on a regular basis, including mandatory e-learning programs on McKinsey's confidentiality and data-protection policies and practices. We also have a mandatory and award-winning, gamified e-learning module, which raises awareness of data-privacy principles, data-protection practices, and cybersecurity behaviors. This simulation helps learners to identify high-risk situations, practice taking risk-mitigating actions, and understand their responsibility in protecting the firm and our clients. In addition, we run regular phishing campaigns to help employees improve their ability to identify and handle phishing emails.

99%

of colleagues completed training courses covering data-privacy principles, data-protection practices, and cybersecurity behaviors

Acting responsibly

Promoting transparency and accountability

This report serves as our third Communication on Progress to the UN Global Compact (UNGC), which we signed in 2018. As we continue our social responsibility journey, we seek to further increase transparency and accountability to our clients, our people, and other stakeholders.

To that end, we are strengthening our reporting by aligning with recognized reporting frameworks. We continue to align to the Global Reporting Initiative (GRI) Standards, and in 2020, we became a signatory to the World Economic Forum's Stakeholder Capitalism Metrics framework and will begin reporting in line with the Task Force on Climate-related Financial Disclosures (TCFD), which we formally supported in February 2021. For more information on how we are addressing the Ten Principles of the UNGC and how we are satisfying the requirements of GRI and other global standards, please see the reporting and data section.

About our social responsibility

Our commitment to making a difference in society is embedded in everything we do. Our commitment starts at the highest levels of our firm, with our social and environmental goals supported by our global managing partner and with oversight from board-level committees and leadership.

The delivery of our environmental and social responsibility goals and approach is supported by a dedicated social responsibility team and guided by the Social Responsibility Council, a global committee of both internal and client-facing senior firm leaders representing all regions. Each region is also supported by teams that help implement global priorities while tailoring environmental and social responsibility initiatives to meet regional needs and interests. Finally, our policies and practices are embedded in individual functions and groups across our firm, each with clear leadership responsibilities.

Beyond these formal organizational structures, we encourage and recognize colleagues' contributions to social responsibility through a variety of formal and informal channels.

Reporting and data

1

Materiality and stakeholder engagement

We incorporate the perspectives of our stakeholders to inform our goals, shape our practices, and refine our reporting.

page 71

2

WEF Stakeholder Capitalism Metrics

In 2020, we were one of the first 60 organizations to sign the World Economic Forum's Stakeholder Capitalism Metrics initiative. This is our first report.

page 77

3

GRI Index

Our report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

page 82

4

UNGC Index (Advanced)

Our report, together with this Index, serves as our third Communication on Progress to the United Nations Global Compact (UNGC).

page 98

5

Data tables

To support transparency and accountability, we provide data on our material topics.

page 104

6

GHG reporting methodology

Our greenhouse gas (GHG) emissions are calculated in line with the GHG Protocol Corporate Standard, following best practices.

page 110

Materiality and stakeholder engagement

Details of our materiality assessment

In 2020, we conducted a comprehensive materiality assessment, in accordance with Global Reporting Initiative (GRI) Standards, to reflect our growing business, strategy, and stakeholder expectations. The assessment evaluated the topics from our previous materiality efforts, plus a broader set of topics developed from detailed benchmarking across our industry and analysis of relevant global standards and frameworks. With the help of an external firm, we applied GRI principles and definitions to guide our materiality process, topics, and prioritization.

1

Step One: Topic identification

Through external research, industry benchmarking, review of leading global reporting standards, and a review of internal documents, we identified 23 material ESG-related topics of importance to stakeholders and on which McKinsey has an impact.

2

Step Two: Engagement

We conducted dozens of interviews and thousands of surveys with relevant and credible internal and external stakeholder groups to understand their perspectives and priorities related to these topics. We also reviewed emerging trends to understand how these topics may evolve and to help inform how we address the boundaries for these topics, including in our operations, in our client work and research, or in our supply chain. More detail on the stakeholders we engaged follows.

3

Step Three: Prioritization

Building on the insights gained from the first two steps, we worked with internal leaders and stakeholders to define weightings by stakeholder groups and align these topics on x- and y-axes, which generated our preliminary materiality matrix.

4

Step Four: Review and finalization

Our materiality working team, represented by members of Global Social Responsibility, communications, and relevant governance groups, reviewed and finalized the material topics, which included, in some cases, consolidating topics. This step generated the 18 topics in our final materiality matrix. We also discussed the opportunities to address these topics in our internal operations, in our client work or research, or in our supply chain, as is reflected in our reporting.

Materiality and stakeholder engagement

Stakeholders engaged

The way we manage our firm and the decisions that we make affect a range of stakeholders, including our clients, our people (current, former, and future colleagues), and our suppliers, as well as our communities. We regularly use information from various touchpoints with these stakeholders to inform our goals, shape our practices, and refine our reporting. In 2020, we engaged thousands of stakeholders to deepen and refine our understanding of their expectations and priorities.

Our clients

We communicate regularly with clients by soliciting formal and informal feedback, and we analyze client requests for proposals (RFPs) and other inquiries (for example, via third-party platforms and assessments) to identify trends in the issues that are most important to them. In 2020, we interviewed and surveyed global clients from diverse industries to test and refine our material topics. We also reviewed recent questions and surveys from clients about our ESG practices to better understand their emerging priorities.

Our people

We draw on multiple formal and informal touchpoints, including surveys and town halls, to incorporate the insights of current, future, and previous colleagues. We also have dedicated teams for recruiting and alumni relations that incorporate feedback from both groups.

For our 2020 materiality assessment, we reached out via surveys to more than 30,000 colleagues, recruits, and alumni to understand their perspectives on material topics and priorities. We interviewed a broad group of global leaders across our core internal functions, in addition to client-facing leaders.

Our suppliers

We have dedicated supplier-management teams that work with and hear directly from suppliers about topics including which procurement and other practices matter to them. Our Supplier Code of Conduct sets out our expectations of suppliers, and via the supporting environmental, social, and governance (ESG) questionnaire, we gain insights into their practices, which in turn inform our activities related to procurement and supplier management.

In 2020, we interviewed several of our largest global suppliers across diverse industries and regions to understand their perspectives on McKinsey's priorities and opportunities for impact across the tested material topics. We also continue to gain vendor insights, including ESG-related issues and opportunities, from ongoing supplier-engagement efforts.

Our communities

McKinsey has offices in more than 130 cities. These communities are home to our clients and their stakeholders and to our own people and their families. We want these communities to be inclusive, sustainable, and prosperous places to live and to work. We support more than 600 nonprofits per year, and our interactions with them provide valuable insights into the needs of our communities from multiple perspectives. To support our 2020 materiality assessment, we interviewed leaders of several global and community nonprofits, and we surveyed alumni and recruits involved in community engagement and in leadership positions in community-based organizations.

Civil society

Our practices and reporting are informed and shaped by our participation in initiatives such as the UN Global Compact, the World Business Council for Sustainable Development, and the World Economic Forum. In 2020, to gather perspectives of leaders in civil society, we interviewed representatives of multisector organizations and thought leaders in social responsibility and ESG topics.

Materiality and stakeholder engagement

What our stakeholders told us

In 2020, we engaged with thousands of stakeholders to understand their perspectives on and expectations of our social responsibility and ESG-related priorities. We provide details on what our stakeholders told us, and what we are doing in response.

Material topic	Our stakeholders told us...	What we've done over the last year (examples)	Where to learn more (page)
Diversity and inclusion	As a leading voice on diversity, equity, and inclusion in the workplace, we should apply our insights internally and expand transparency around how we are delivering through diversity within our firm.	Joined new initiatives and expanded quantitative data around our performance. Committed to 10 Actions to advance racial and social equity in our firm and beyond. Introduced diversity, equity, and inclusion training globally	51
Climate change and carbon emissions	As a global firm and leading voice and adviser on sustainability issues, we should raise our ambitions around our environmental footprint and lead by example.	Committed to net-zero climate impact by 2030 and set science-based targets in line with a 1.5-degree pathway, along with introduction of McKinsey Sustainability, to help clients innovate to net zero	33
Enabling clients' social and environmental impact	Serving clients represents one of our greatest opportunities for impact, which we should highlight beyond our pro bono work.	Expanded "Delivering for Stakeholders," focused on integrating environmental and social considerations across all of our client work, and are sharing more extensively how we serve clients to have positive impact on employees and communities, for suppliers and consumers, and for the planet	20 35
Ethics and anti-corruption	Professional standards are critical to meeting the trust our clients and other stakeholders place in us, and we should increase transparency around how we uphold the standards firmwide that our clients and other stakeholders expect of us.	Introduced new initiatives for building awareness and expanding the professional standards culture in our firm. Increased transparency around ethics and compliance governance and management	65
Client selection	Society's expectations of all companies are rising. For us, this includes how we select the work we do (and don't do) and the potential impacts of that work.	Increased transparency around our client selection processes and governance, in our report and on our website	50

Materiality and stakeholder engagement

What our stakeholders told us continued

Material topic	Our stakeholders told us...	What we've done over the last year (examples)	Where to learn more (page)
Human rights	As with all global firms with a broad geographic footprint, expectations are growing about how we address human rights in our firm and beyond, including in our supply chain.	Expanded information related to our commitments under the United Nations Global Compact, supplier processes, grievance mechanisms, and client selection	63
Data privacy	The commitment to data privacy has taken on even more importance in the digital age. We should assure clients and other stakeholders that our practices and policies protect confidentiality and align to latest standards and regulations.	Shared how confidentiality and information security are managed relative to leading standards and how we ensure training and awareness. Recognized by Guardians of Trust	67
Community engagement and pro bono	We have an opportunity to more actively use our knowledge and our capabilities to help address the world's most pressing issues by expanding opportunities for all colleagues to give back to their communities.	Expanded our commitment to social responsibility efforts (with a $2B cash in-kind commitment over the next ten years), and launched three new initiatives to give all colleagues 1) an opportunity to donate their time, 2) a match from the firm for eligible donations they make to qualified nonprofit organizations, and 3) a voice in firmwide donations to meet needs in local communities	23
Employee well-being	The pandemic and other challenges from 2020 require us to find new ways to connect and support our colleagues and to address working conditions, programs, and resources that support safety, well-being, and physical and mental health.	Expanded flexibility options, care and wellness offerings, and financial supports to help colleagues balance professional and personal priorities in light of the pandemic	56
Recruiting, training, and development	We need to continue to find new ways to attract and retain top talent and fulfill our people mission, and ensure our people have opportunities to grow and develop in flexible work arrangements.	Expanded recruiting sources significantly, and continued to expand personalized learning. Moved learning programs online to ensure continued growth and development for colleagues	52 58

Materiality and stakeholder engagement

What our stakeholders told us continued

Material topic	Our stakeholders told us...	What we've done over the last year (examples)	Where to learn more (page)
Supplier sustainability and diversity	We should consider our spend as a firm an opportunity to achieve our broader social responsibility goals, including supporting diverse businesses and engaging with suppliers on our broader sustainability and societal goals.	As part of our 10 Actions, committed to doubling our spend with diverse suppliers over three years. Delivered tailored training for procurement professionals on several material topics	47 60
Research and thought leadership	We should further focus our thought leadership on environmental and social topics, to help leaders understand potential solutions to global challenges.	Published more than 1,500 thought pieces, including more than 600 focused on COVID-related issues, to help inform decision making, innovate to find solutions, and begin to define the next normal	11 22 37
ESG governance and voluntary standards	We should continue embedding environmental, social, and governance considerations into decision making across the firm, including by aligning with voluntary standards.	Increased transparency around governance around ESG overall. Joined the World Economic Forum Stakeholder Capitalism Metrics initiative and became a supporter of the TCFD, to continue to build ESG considerations into the fabric of our firm	69
Resource efficiency (energy, water, and waste management)	Although our resource footprint is lower than in many industries, our colleagues in particular are looking for us to find ways to minimize our impact on natural resources and to contribute through thought leadership and client service.	Joined Business for Nature to promote solutions to nature loss, published thought pieces on resource efficiency, and supported clients on resource topics, including pro bono support (eg, Blue Nature Alliance). As part of our WEF Stakeholder Capitalism commitment, starting to share relevant information on water and nature impacts	40
Economic performance	Economic impact for communities, employees, partners and other stakeholders should be captured and, where possible, better quantified and shared.	As part of our WEF Stakeholder Capitalism commitment, we are looking for opportunities to share meaningful data, and as part of our TCFD support, are looking at potential financial impacts of climate change. As a private company, we do not extensively report financial data	13

Materiality and stakeholder engagement

What our stakeholders told us continued

Material topic	Our stakeholders told us...	What we've done over the last year (examples)	Where to learn more (page)
Responsible innovation	Given our client service and thought leadership on innovation topics, we can help companies deliver economic value while having a positive impact on society and the environment. We should also develop new products and processes to integrate top ESG issues into service offerings.	Introduced new elements of "Delivering for Stakeholders" to bring a focus on broader stakeholders, including on customers, employees, and the planet, across our client work. Published extensively on social implications of innovation (eg, AI)	96
Public stance on social issues	We should continue to contribute to progress and solutions at scale by drawing upon our own research and thought leadership, while maintaining our professional independence.	Committed publicly to several initiatives, including Business Ambition for 1.5°C, became a founding signatory member of the World Economic Forum's Partnering for Racial Justice in Business and Stakeholder Capitalism Metrics initiatives. Made public statements on racial equity, which form the basis for our 10 Actions	97
Compensation and benefits	We should continue to provide competitive compensation and offer employees generous healthcare benefits, and expand transparency around how we ensure fair and equitable compensation.	Expanded access to mental wellness and other offerings. Expanding transparency around compensation processes through our participation in the WEF Stakeholder Capitalism Metrics initiative	56

WEF Stakeholder Capitalism Metrics

We became a signatory to the World Economic Forum's Stakeholder Capitalism Metrics initiative in 2020.

Theme	Core metric	Reference or additional information
Governance		
Governing purpose	1. Setting purpose	Our purpose as a firm is to help create positive, enduring change in the world. **See also** **About Us > Social responsibility**
Quality of governing body	2. Governance body composition	**Promoting transparency and accountability** **Delivering through diversity** **Data tables (Diversity and inclusion)** **See also** **About Us > Our Leadership**
Stakeholder engagement	3. Material issues impacting stakeholders	**Our material topics** **Materiality and stakeholder engagement**
Ethical behavior	4. Anti-corruption	**Upholding the highest professional standards** 100% of our firm members are required to participate in annual policy certification that includes relevant policies and practices, including anti-corruption. In addition, our suppliers are expected to adhere to our Supplier Code of Conduct, which includes our expectations related to anti-corruption. McKinsey stands firmly against bribery and corruption in all its forms. We expressly prohibit any form of bribe or kickback and we are committed to fully comply with the anti-corruption laws of all the jurisdictions in which we operate. We have strict policies and professional standards that apply to every member of the firm. Any potential breach of these ethical standards is subject to comprehensive investigation, with appropriate action taken. We have clear internal procedures for firm members to report concerns about values, ethics, and professional conduct. Additionally, our confidential and impartial Ombud program is available to help firm members with these and other issues. We recognize there are times when colleagues may feel the need for an opportunity to raise a concern or ask a question without coming forward directly to a colleague. For those instances, we have established hotlines as an alternative vehicle for colleagues to use. Colleagues may ask a question or raise a concern through an internal link, which is hosted by an external service provider to keep the information confidential, to the extent permitted by law. **See also** **Code of Professional Conduct** **Supplier Code of Conduct**

WEF Stakeholder Capitalism Metrics

Theme	Core metric	Reference or additional information
Governance, continued		
Ethical behavior (continued)	5. Protected ethics advice and reporting mechanisms	Upholding the highest professional standards **See also** Code of Professional Conduct Supplier Code of Conduct
Risk and opportunity oversight	6. Integrating risk and opportunity into business process	McKinsey assesses risks and opportunities in the short, medium, and long term to its business. Both opportunities and risks span a number of areas such as reputation, legal, regulatory environment, market, and technology, as well as risks and opportunities arising from acute/physical impacts of climate change. For example, a key risk area we focus on is client selection. We systematically assess client projects across five interrelated dimensions: country, institution, topic, individual, and operational considerations. Referred to as "CITIO," this framework is embedded in the way we assess risk for all our client work. It applies globally, across all sectors, whether work is formal or informal, paid or unpaid. We recognize both risks and opportunities posed by climate change to our own operations, our client service, and our broader stakeholders. We support clients on sustainability, both through the dedicated efforts of our McKinsey Sustainability platform and through our efforts focused on Delivering for Stakeholders, a recently introduced pillar of our social responsibility agenda. **See also** Client selection About Us > Sustainability Sustainability > How we help clients
Planet		
Climate change	7. Greenhouse gas (GHG) emissions	Charting a net-zero future for our firm **See also** About Us > Sustainability Code of Professional Conduct Supplier Code of Conduct

WEF Stakeholder Capitalism Metrics

Theme	Core metric	Reference or additional information
Planet, continued		
Climate change	8. Task Force on Climate-related Financial Disclosures (TCFD) implementation	McKinsey supports and publicly endorses the TCFD framework for climate disclosure. We have started implementing the TCFD recommendations and anticipate reporting on our progress in the near future. McKinsey has recently set science-based targets, which have been validated by the Science Based Targets initiative, to reduce our GHG emissions in line with a 1.5-degree pathway and to reach net-zero climate impact by 2030. **See also** **Reaching net-zero climate impact by 2030** **TCFD—Supporters**
Nature loss	9. Land use and ecological sensitivity	McKinsey's offices are located primarily in highly developed municipalities and cities. Given this context, we do not currently measure our impact on land use. For our operations we instead focus our efforts on ensuring that our buildings adhere to high standards of resource use and efficiency (eg, pursuing green-building certification for our offices at the LEED Gold or Platinum level, or equivalents). We do not believe our operations have a material impact on land use and ecologically sensitive areas. However, in our knowledge work, McKinsey aims to contribute to structural solutions to issues related to land use and natural capital more broadly, at a global scale. Recent examples include our reports Valuing Nature Conservation and Nature and Net Zero, which we published in collaboration with the World Economic Forum.
Freshwater availability	10. Water consumption and withdrawal in water-stressed areas	McKinsey's environmental footprint is not water intensive given the nature of our operations, and we do therefore not currently measure our water withdrawals globally. However, we recognize that out of our 170 operating locations globally (as of year-end 2020), 52 are in areas of high or extremely high baseline water stress, per the WRI Aqueduct Water Risk Atlas. Currently, 21 of our 52 locations in water-stressed areas have achieved green-building certification at LEED Gold or Platinum level, or equivalents—and we are working to further increase this number. Selected examples of water efficiency measures our offices have taken include: – Implementing low-flow toilets, urinals, and sink aerators to reduce water use in our Southern California office. – Installing faucet aerators that are rated 80% more efficient than prior fixtures in our São Paulo office. – Installing a reclaimed water treatment system to treat urban sewage (such as rainwater) and reuse it as a renewable resource to save domestic water in our Shanghai office. We will continue to find ways to minimize our water consumption while also contributing to structural solutions—for example, by supporting the UN Water Resilience Coalition as a knowledge partner and adviser.

WEF Stakeholder Capitalism Metrics

Theme	Core metric	Reference or additional information
People		
Dignity and equality	11. Diversity and inclusion	**Delivering through diversity** ⊕ **Data tables (Diversity and inclusion)** ⊕ **See also** **About Us > Diversity and inclusion** ↗
	12. Pay equality	McKinsey is committed to providing equal employment opportunities for all firm members and job applicants. All employment decisions at McKinsey—including and in particular those related to compensation—are based on legitimate business needs, job requirements, and individual qualifications, without regard to any other status, including those protected by the laws or regulations in the locations where we operate. We comply with all applicable pay equity reporting laws, including the United Kingdom's gender pay gap reporting obligations. Our latest UK pay report is available here. Compensation structures for all McKinsey colleagues are based on thorough and objective benchmarking and market insights from multiple external sources. Based on those benchmarks, compensation structures are developed for each role. Individuals are placed within a predetermined range based on legitimate, non-discriminatory factors, including, as applicable, relevant skills and experience, performance in role, and geographic location. McKinsey has robust audit processes in place to ensure that all colleagues are paid equitably throughout their careers. These efforts are spearheaded by McKinsey's internal Pay Equity Service Line, a dedicated function within Global Compensation that leverages a third-party pay equity audit tool to provide objective evaluation of and feedback on McKinsey's compensation structures, down to the individual employee level and across all of its offices around the world. If and when adjustments are warranted, they are made. Finally, McKinsey has taken steps to increase its public commitment to global social responsibility principles more broadly, including those pertaining to pay equity. To that end, McKinsey is a member of the World Economic Forum's Stakeholder Capitalism Metrics initiative as well as the Business Roundtable.
	13. Wage level	McKinsey is committed to paying all colleagues a living wage. As our pay is based on thorough and objective benchmarks and market insights from multiple external sources, our lowest compensation ranges are well above minimum wage including for entry level positions. For instance, in the United States, our minimum salary exceeds $20 per hour, nearly three times the federal minimum wage. The vast majority of our roles are compensated well above that rate, far exceeding the applicable federal, state, and local minimum wage.

WEF Stakeholder Capitalism Metrics

Theme	Core metric	Reference or additional information
People continued		
Health and well-being	14. Risk for incidents of child, forced, or compulsory labor	Human rights and labor See also Human rights statement Modern slavery statement (United Kingdom)
Skills for the future	15. Health and safety	Supporting our people As a professional-services firm, the risks of industrial accidents in our offices are low. We do maintain benefits and programs relevant to our industry to support the health, safety, and physical and mental well-being of our people.
	16. Training provided	Supporting our people Data tables (Employee development)
Prosperity		
Employment and wealth generation	17. Absolute number and rate of employment	In 2020, McKinsey hired more than 5,700 people globally, and personnel turnover was 12.6%.
	18. Economic contribution	McKinsey has revenues in excess of $12 billion.
	19. Financial investment contribution (capex)	As a private company, we don't report financial information on capital expenditures.
Innovation of better products and services	20. Total R&D expenses ($)	How we deliver on our purpose: Developing insights As a private company, we don't report financial information on R&D. As noted on our website, we invest over $700 million per year in knowledge and capability development.
Community and social vitality	21. Total tax paid	As a private firm, we do not extensively report financial information.

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General disclosures

Disclosure & description	Reference or additional information
Organizational profile	
102-1 Name of the organization	McKinsey & Company
102-2 Information on activities, brands, products, and services employees and other workers	Overview of McKinsey & Company
102-3 Location of headquarters	McKinsey fact sheet
102-4 Location of operations	Locations
102-5 Ownership and legal form	McKinsey fact sheet
102-6 Markets served	Locations: 130+ cities, 65+ countries Functions: 10 business functions Industries: 21 industries
102-7 Scale of the organization	McKinsey has revenues in excess of $12 billion. **See also** McKinsey fact sheet Change that Matters Locations Functions Industries
102-8 Information on employees and other workers	McKinsey has more than 34,000 colleagues globally. McKinsey offers colleagues multiple opportunities for flexibility. In addition, we are supported by a pool of external workers globally who provide specialized expertise or capacity on an as-needed basis.
102-9 Supply chain	Our material topics Materiality and stakeholder engagement
102-10 Significant changes to the organization and supply chain	No significant changes in 2020
102-11 Precautionary principle or approach	Charting a net-zero future for our firm We manage our business to reduce, avoid, or mitigate risks.

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General disclosures continued

Disclosure & description	Reference or additional information
Organizational profile, continued	
102-12 External initiatives	Collaborating for environmental sustainability Delivering through diversity **See also** About Us > Diversity About Us > Sustainability Leaders and partners across the firm also participate in external initiatives. Functions Industries
102-13 External memberships	Collaborating for environmental sustainability Delivering through diversity **See also** About Us > Diversity About Us > Sustainability Leaders and partners across the firm also participate in external initiatives. Functions Industries
Strategy	
102-14 Statement from decision maker	A letter to all our stakeholders
Ethics and integrity	
102-16 Values, principles, standards, and norms of behavior	A letter to all our stakeholders **See also** Our purpose, mission, and values Code of Professional Conduct Participant page, UN Global Compact
102-17 Mechanisms for advice and concerns about ethics	Upholding the highest professional standards **See also** Code of Professional Conduct Supplier Code of Conduct

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General disclosures continued

Disclosure & description	Reference or additional information
Governance	
102-18 Governance structure	Promoting transparency and accountability See also McKinsey fact sheet
Stakeholder engagement	
102-40 Stakeholder groups	Materiality and stakeholder engagement
102-41 Collective bargaining agreements	Human rights and labor See also About Us > Code of Conduct We support the protection of internationally proclaimed human rights and employees' rights of freedom of association and to take part in collective-bargaining processes. This information is not tracked globally, as most colleagues are not covered by collective-bargaining agreements.
102-42 Identifying and selecting stakeholders	Our material topics Materiality and stakeholder engagement
102-43 Approach to stakeholder engagement	Our material topics Materiality and stakeholder engagement
102-44 Key topics and concerns raised	Our material topics Materiality and stakeholder engagement
Reporting practice	
102-45 Entities included in the consolidated financial statements	Locations: 130+ cities, 65+ countries Our social responsibility reporting covers all locations of our firm globally.
102-46 Defining report content and topic boundaries	Our material topics Materiality and stakeholder engagement
102-47 List of material topics	Our material topics Materiality and stakeholder engagement

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General disclosures continued

Disclosure & description	Reference or additional information
Reporting practice, continued	
102-48 Restatements of information	No restatements of information
102-49 Changes in reporting	No significant changes
102-50 Date of reporting	January 1 to December 31, 2020 Financial year 2020
102-51 Date of most recent report	June 2020
102-52 Reporting cycle	Annually
102-53 Contact point for questions regarding the report	McKinsey welcomes your comments and questions regarding this report. Please contact us at social_responsibility@mckinsey.com.
102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55 GRI Index	2020 Social Responsibility Report (Reporting and data)
102-56 External assurance	**GHG reporting methodology** ⊕ We conduct external assurance of our GHG emissions.

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Topic-specific disclosures

Disclosure & description	Reference or additional information
Economic performance	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement
103-2 The management approach and its components	Materiality and stakeholder engagement We support broader economic outcomes by creating jobs and opportunities through our 130+ locations in 65+ countries and through our work with our clients. Our mission includes helping our clients make distinctive, lasting, and substantial improvements in their performance.
103-3 Evaluation of the management approach	As a private company, we do not extensively disclose financial or operational data. McKinsey has revenues in excess of $12 billion.
201-2 Financial implications and other risks and opportunities due to climate change	Climate change poses potential financial risks and opportunities to us as a firm, including in our client service, as we serve hundreds of clients per year on sustainability and climate-related issues. As supporters of the TCFD and participants in CDP, we assess risks and opportunities related to climate change and anticipate providing more information about these in future reporting cycles.
Ethics: Anti-corruption	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement **See also** Participant page, UN Global Compact

GRI Index

Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Ethics: Anti-corruption, continued	
103-2 The management approach and its components	Materiality and stakeholder engagement Upholding the highest professional standards Anti-corruption **See also** Code of Professional Conduct Supplier Code of Conduct
103-3 Evaluation of the management approach	Upholding the highest professional standards Data tables (Ethics)
205-2 Communication and training about anti-corruption policies and procedures	Upholding the highest professional standards Anti-corruption Data tables (Ethics) Our anti-corruption policy and related policies are made available to all colleagues on our intranet. In addition, we communicate important elements of our policy to our stakeholders publicly, via our Social Responsibility Report and our Code of Professional Conduct, which are available for download on McKinsey.com.
Environmental sustainability: Energy	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement **See also** Participant page, UN Global Compact
103-2 The management approach and its components	Materiality and stakeholder engagement Charting a net-zero future for our firm **See also** Code of Professional Conduct Supplier Code of Conduct
103-3 Evaluation of the management approach	Charting a net-zero future for our firm Data tables (Environmental sustainability)
302-1 Energy consumption within the organization	Charting a net-zero future for our firm Data tables (Environmental sustainability)

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Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Environmental sustainability: GHG emissions	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement **See also** Participant page, UN Global Compact
103-2 The management approach and its components	Materiality and stakeholder engagement Charting a net-zero future for our firm **See also** Code of Professional Conduct Supplier Code of Conduct
103-3 Evaluation of the management approach	Charting a net-zero future for our firm Data tables (Environmental sustainability) GHG reporting methodology
305-1 GHG emissions (Scope 1)	Charting a net-zero future for our firm Data tables (Environmental sustainability) GHG reporting methodology
305-2 GHG emissions (Scope 2)	Charting a net-zero future for our firm Data tables (Environmental sustainability) GHG reporting methodology
305-3 GHG emissions (Scope 3)	Charting a net-zero future for our firm Data tables (Environmental sustainability) GHG reporting methodology
305-4 GHG emissions intensity	Charting a net-zero future for our firm Data tables (Environmental sustainability) GHG reporting methodology
305-5 GHG reduction	Charting a net-zero future for our firm Data tables (Environmental sustainability) GHG reporting methodology
Supplier sustainability and diversity: Environmental assessment	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement **See also** Participant page, UN Global Compact Supplier Code of Conduct

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Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Supplier sustainability and diversity: Environmental assessment, continued	
103-2 The management approach and its components	Materiality and stakeholder engagement Supporting social responsibility through our supply chain **See also** About Us > Supplier Standards
103-3 Evaluation of the management approach	Supporting social responsibility through our supply chain Data tables (Suppliers) **See also** About Us > Supplier Standards
308-1 Percentage of new suppliers that were screened using environmental criteria	Supporting social responsibility through our supply chain Data tables (Suppliers) All (100%) suppliers are expected to adhere to our Supplier Code of Conduct, which includes environmental criteria, including managing the environmental footprint.
Employee development: Employment benefits	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement **See also** Participant page, UN Global Compact Supplier Code of Conduct
103-2 The management approach and its components	Materiality and stakeholder engagement Supporting our people **See also** Code of Professional Conduct
103-3 Evaluation of the management approach	Supporting our people Data tables (Employee development)
401-2 Benefits	Supporting our people Data tables (Employee development)

GRI Index

Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Employee development: Training and development	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement Supporting our people See also Participant page, UN Global Compact About Us > Our values (People)
103-2 The management approach and its components	Materiality and stakeholder engagement Supporting our people See also Code of Professional Conduct
103-3 Evaluation of the management approach	Supporting our people Data tables (Employee development)
404-1 Average hours of training per year per employee	Supporting our people Data tables (Employee development) In 2020, colleagues in client-facing roles participated in an average of 43 hours of firm-led training per year, while colleagues in internal roles participated in an average of 18 hours of training per year, in addition to training opportunities offered by individual locations and practices. Training participation does not vary materially by gender.
404-3 Percentage of employees receiving regular performance and career development reviews	Supporting our people Data tables (Employee development)
Diversity and inclusion	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement Delivering through diversity See also Participant page, UN Global Compact About Us > Our Values (People) Code of Professional Conduct

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Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Diversity and inclusion, continued	
103-2 The management approach and its components	Materiality and stakeholder engagement Delivering through diversity See also Code of Professional Conduct Supplier Code of Conduct
103-3 Evaluation of the management approach	Delivering through diversity Data tables (Diversity and inclusion)
405-1 Diversity of governance bodies and employees	Delivering through diversity Data tables (Diversity and inclusion)
Human rights	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement Human rights and labor See also Participant page, UN Global Compact Human rights statement
103-2 The management approach and its components	Materiality and stakeholder engagement Human rights and labor See also Code of Professional Conduct Supplier Code of Conduct Human rights statement
103-3 Evaluation of the management approach	Human rights and labor Data tables (Human rights)
412-2 Employee training on human rights policies or procedures	Human rights and labor Data tables (Human rights)

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Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Community engagement	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement Helping clients strengthen communities and the workforce Giving back across the globe
103-2 The management approach and its components	Materiality and stakeholder engagement Helping clients strengthen communities and the workforce Giving back across the globe See also Code of Professional Conduct
103-3 Evaluation of the management approach	Helping clients strengthen communities and the workforce Giving back across the globe Data tables (Community engagement)
413-1 Operations with local community engagement impact assessments, and development programs	Giving back across the globe Data tables (Community engagement)
Supplier sustainability and diversity: Supplier social assessment	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement See also Participant page, UN Global Compact Supplier Code of Conduct Modern Slavery Statement (United Kingdom) We screen new suppliers for social criteria, including upholding human rights and operating workplaces free of discrimination.
103-2 The management approach and its components	Materiality and stakeholder engagement Supporting social responsibility through our supply chain See also About Us > Supplier Standards
103-3 Evaluation of the management approach	Supporting social responsibility through our supply chain Data tables (Supplier sustainability)

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Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Supplier sustainability and diversity: Supplier social assessment, continued	
414-1 Percentage of new suppliers that were screened using social	Supporting social responsibility through our supply chain Data tables (Supplier sustainability) All (100%) suppliers are expected to adhere to our Supplier Code of Conduct.
Data privacy and security	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement Upholding the highest professional standards Data privacy and standards
103-2 The management approach and its components	Materiality and stakeholder engagement Data privacy and standards See also Code of Professional Conduct Supplier Code of Conduct
103-3 Evaluation of the management approach	Data privacy and standards Data tables (Data privacy and security)
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data privacy and standards Data tables (Data privacy and security) As described in our report, we have extensive practices in place to ensure data privacy. For example, systems and controls are designed to meet ISO/IEC 27001 standards, in combination with industry best practices. Our security operations center ensures a high level of information security for McKinsey's applications (internal and external), systems, and all related data by providing best-in-class security-incident detection, analysis, containment, and mitigation. Complaints, if any, are considered confidential to our firm.
Enabling client social and environmental impact	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement How we deliver on our purpose: Serving clients Embedding sustainability across our client work Helping clients strengthen communities and the workforce

GRI Index

Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Enabling client social and environmental impact, continued	
103-2 The management approach and its components	Our material topics Materiality and stakeholder engagement How we deliver on our purpose: Serving clients Serving those who serve society Building a platform to help clients reach net zero Embedding sustainability across our client work Helping clients strengthen communities and the workforce
103-3 Evaluation of the management approach	How we deliver on our purpose: Serving clients Building a platform to help clients reach net zero Embedding sustainability across our client work Helping clients strengthen communities and the workforce **See also** McKinsey Sustainability Public & Social Sector Practice: How we help clients Organization Practice (Talent, Diversity and Inclusion): How we help clients
Research and insights	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement How we deliver on our purpose: Developing insights
103-2 The management approach and its components	Materiality and stakeholder engagement How we deliver on our purpose: Developing insights **See also** About Us: Powered by knowledge McKinsey Global Institute As the business and economics research arm of McKinsey, we publish in-depth analyses that provide leaders with insights to make management and policy decisions. McKinsey Client Capabilities Network The network of 2,500+ knowledge and research professionals helps us enable impact through our proprietary knowledge and capabilities. McKinsey Quarterly COVID Response Center
103-3 Evaluation of the management approach	How we deliver on our purpose: Developing insights Strengthening communities and societies Shaping environmental sustainability

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Topic-specific disclosures continued

Disclosure & description	Reference or additional information
ESG standards	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement Selecting our client work Upholding the highest professional standards Promoting transparency and accountability
103-2 The management approach and its components	Materiality and stakeholder engagement Promoting transparency and accountability Selecting our client work Our participation in several ESG organizations informs our approach to ESG, and we seek to incorporate these standards into our operations. For example, we participate in CDP, are signatories to the World Economic Forum Stakeholder Capitalism Metrics initiative, support the Task Force on Climate-related Financial Disclosures (TCFD), are members of the World Business Council for Sustainable Development, and participate in the UN Global Compact. **See also** About Us > Professional standards Code of Professional Conduct
103-3 Evaluation of the management approach	Promoting transparency and accountability Selecting our client work
Client selection	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement Selecting our client work Upholding the highest professional standards **See also** Client selection Code of Professional Conduct
103-2 The management approach and its components	Materiality and stakeholder engagement Selecting our client work **See also** Client selection Code of Professional Conduct

GRI Index

Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Client selection, continued	
103-3 Evaluation of the management approach	Selecting our client work See also Client selection Code of Professional Conduct
Responsible innovation	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement Serving those who serve society Building a platform to help clients reach net zero Embedding sustainability across our client work
103-2 The management approach and its components	Materiality and stakeholder engagement Harnessing our capabilities: Developing insights Serving those who serve society Building a platform to help clients reach net zero Embedding sustainability across our client work See also About Us: Always innovating McKinsey Global Institute, Technology and Innovation McKinsey Global Institute, Natural Resources McKinsey's partnership with the World Economic Forum
103-3 Evaluation of the management approach	Harnessing our capabilities: Developing insights Serving those who serve society Building a platform to help clients reach net zero Embedding sustainability across our client work See also About Us: Always innovating

GRI Index

Topic-specific disclosures continued

Disclosure & description	Reference or additional information
Public stance on social issues	
103-1 Explanation of the material topic and its boundary	Our material topics Materiality and stakeholder engagement See also Code of Professional Conduct Client selection
103-2 The management approach and its components	Materiality and stakeholder engagement Promoting transparency and accountability See also United Nations Global Compact Statement related to racial justice Statement on Voting Rights (Business Roundtable) Statement on the Purpose of the Corporation (Business Roundtable) Business Ambition for 1.5°C Code of Professional Conduct Client selection
103-3 Evaluation of the management approach	Promoting transparency and accountability

UNGC Index

We support:

In April 2018, McKinsey became a participant in the United Nations Global Compact, a set of Ten Principles covering the areas of human rights, labor, environment, and anti-corruption. This report serves as our third Communication on Progress in implementing the principles of the UNGC and supporting broader UN goals. The tables show where relevant content can be found in this report.

Disclosure	UN Global Compact Advanced-level criteria	Report section or other reference
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights; and	Supporting social responsibility through our supply chain Upholding the highest professional standards Human rights and labor **See also** Human rights statement Supplier Code of Conduct
	2. make sure that they are not complicit in human rights abuses.	Supporting social responsibility through our supply chain Upholding the highest professional standards Human rights and labor **See also** Human rights statement Supplier Code of Conduct
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Supporting social responsibility through our supply chain Upholding the highest professional standards Human rights and labor
	4. the elimination of all forms of forced and compulsory labor;	Supporting social responsibility through our supply chain Upholding the highest professional standards Human rights and labor
	5. the effective abolition of child labor; and	Supporting social responsibility through our supply chain Upholding the highest professional standards Human rights and labor
	6. the elimination of discrimination in respect of employment and occupation.	Supporting social responsibility through our supply chain Upholding the highest professional standards Human rights and labor
Environment	7. Businesses should support a precautionary approach to environmental challenges;	Charting a net-zero future for our firm Supporting social responsibility through our supply chain **See also** Environmental statement

UNGC Index

continued

We support:

Disclosure	UN Global Compact Advanced-level criteria	Report section or other reference
Environment, continued	8. undertake initiatives to promote greater environmental responsibility; and	Building a platform to help clients reach net zero Embedding sustainability across our client work Shaping environmental sustainability Charting a net-zero future for our firm Supporting social responsibility through our supply chain **See also** Environmental statement Code of Professional Conduct
	9. encourage the development and diffusion of environmentally friendly technologies.	Building a platform to help clients reach net zero Embedding sustainability across our client work Shaping environmental sustainability Charting a net-zero future for our firm Supporting social responsibility through our supply chain
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	Supporting social responsibility through our supply chain Upholding the highest professional standards Anti-corruption **See also** Code of Professional Conduct
Implementing the Ten Principles into strategies and operations	1. The Communication on Progress (COP) describes mainstreaming into corporate functions and business units.	A letter to all our stakeholders Our material topics Materiality and stakeholder engagement Supporting social responsibility through our supply chain Upholding the highest professional standards Promoting transparency and accountability **See also** Client selection Code of Professional Conduct Human rights statement
	2. The COP describes value chain implementation.	A letter to all our stakeholders Our material topics Materiality and stakeholder engagement Supporting social responsibility through our supply chain Upholding the highest professional standards Promoting transparency and accountability **See also** Client selection Code of Professional Conduct Human rights statement

UNGC Index

Advanced Index

We support:

Disclosure	UN Global Compact Advanced-level criteria	Report section or other reference
Human rights Robust human rights management policies and procedures	3. The COP describes robust commitments, strategies, or policies in the area of human rights.	Giving back across the globe Delivering through diversity Human rights and labor Supporting social responsibility through our supply chain Upholding the highest professional standards Promoting transparency and accountability **See also** Human rights statement
	4. The COP describes effective management systems to integrate the human rights principles.	Materiality and stakeholder engagement Giving back across the globe Delivering through diversity Human rights and labor Supporting social responsibility through our supply chain Upholding the highest professional standards **See also** Human rights statement
	5. The COP describes effective monitoring and evaluation mechanisms of human rights integration.	Delivering through diversity Human rights and labor Supporting social responsibility through our supply chain Upholding the highest professional standards Giving back across the globe Data tables (Human rights) Data tables (Diversity and inclusion) **See also** Human rights statement
Labor Robust labor management policies and procedures	6. The COP describes robust commitments, strategies, or policies in the area of labor.	Delivering through diversity Supporting our people Supporting social responsibility through our supply chain Upholding the highest professional standards **See also** About Us > Our values Diversity and inclusion

UNGC Index

We support:

Advanced Index continued

Disclosure	UN Global Compact Advanced-level criteria	Report section or other reference
Labor, continued Robust labor management policies and procedures	7. The COP describes effective management systems to integrate the labor principles.	Materiality and stakeholder engagement Delivering through diversity Supporting our people Supporting social responsibility through our supply chain Upholding the highest professional standards See also About Us > Our values Diversity and inclusion
	8. The COP describes effective monitoring and evaluation mechanisms of labor principles integration.	Delivering through diversity Supporting our people Supporting social responsibility through our supply chain Upholding the highest professional standards Promoting transparency and accountability Data tables (Employee development) Data tables (Human rights) Data tables (Diversity and inclusion) See also Diversity and inclusion
Environment Robust environmental management policies and procedures	9. The COP describes robust commitments, strategies, or policies in the area of environmental stewardship.	Building a platform to help clients reach net zero Embedding sustainability across our client work Shaping environmental sustainability Charting a net-zero future for our firm Working with our suppliers on environmental sustainability Supporting social responsibility through our supply chain Promoting transparency and accountability See also Environmental statement Sustainability
	10. The COP describes effective management systems to integrate the environmental principles.	Charting a net-zero future for our firm Working with our suppliers on environmental sustainability Supporting social responsibility through our supply chain See also Environmental statement Sustainability
	11. The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.	Charting a net-zero future for our firm Data tables (Environmental sustainability) GHG reporting methodology

UNGC Index

We support:

Advanced Index continued

Disclosure	UN Global Compact Advanced-level criteria	Report section or other reference
Anti-corruption Robust anti-corruption management policies and procedures	12. The COP describes robust commitments, strategies, or policies in the area of anti-corruption.	Materiality and stakeholder engagement Upholding the highest professional standards Anti-corruption Supporting social responsibility through our supply chain **See also** Code of Professional Conduct Supplier Code of Conduct
	13. The COP describes effective management systems to integrate the anti-corruption principles.	Upholding the highest professional standards Anti-corruption Supporting social responsibility through our supply chain **See also** Code of Professional Conduct Supplier Code of Conduct
	14. The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	Upholding the highest professional standards Supporting social responsibility through our supply chain Promoting transparency and accountability Data tables (Ethics) Data tables (Supplier sustainability and diversity)
Taking action in support of broader UN goals and issues	15. The COP describes core business contributions to UN goals and issues.	Our commitment to the SDGs How we deliver on our purpose: Developing insights How we deliver on our purpose: Serving clients
	16. The COP describes strategic social investments and philanthropy.	Our commitment to the SDGs Giving back across the globe Data tables (Community engagement)
	17. The COP describes advocacy and public policy engagement.	A letter to all our stakeholders Our commitment to the SDGs How we deliver on our purpose: Developing insights GRI Index (Public stance on social issues)
	18. The COP describes partnerships and collective action.	Our commitment to the SDGs Giving back across the globe How we deliver on our purpose: Developing insights How we deliver on our purpose: Serving clients Shaping environmental sustainability Data tables (Community engagement)

UNGC Index

We support:

Advanced Index continued

Disclosure	UN Global Compact Advanced-level criteria	Report section or other reference
Corporate sustainability, governance, and leadership	19. The COP describes CEO commitment and leadership.	A letter to all our stakeholders Promoting transparency and accountability
	20. The COP describes board adoption and oversight.	A letter to all our stakeholders Promoting transparency and accountability WEF Stakeholder Capitalism Metrics: Governance
	21. The COP describes stakeholder engagement.	A letter to all our stakeholders Our material topics Materiality and stakeholder engagement

Data tables

We continue to increase transparency around our most material topics, in line with our commitments to the Global Reporting Initiative and the World Economic Forum Stakeholder Capitalism Metrics initiative.

Diversity and inclusion: Global governance bodies

	2018	2019	2020
Percentage of representation on the elected Shareholder Council (equivalent of firm's board), Global			
Number, total members	30	30	29
Percentage, women	20.0%	23.3%	20.7%
Percentage of representation on Partnership Service Team (executive committee), Global			
Total members	16	16	17
Percentage, women	31.3%	31.3%	29.4%

Diversity and inclusion: Global workforce

	2018	2019	2020
All colleagues			
Percentage, women	43.6%	45.1%	46.2%
Managers			
Percentage, women	37.8%	38.9%	41.6%
Leadership[1]			
Percentage, women	18.3%	19.5%	20.5%
New hires			
Percentage, women	45.5%	49.2%	47.2%

1. All client-facing partners, associate partners, and other senior firm leaders.

Data tables

continued

Diversity and inclusion: US workforce

	2018	2019	2020
Number of colleagues (US only)	8,836	9,301	9,711
Race/ethnicity (US only) [1]			
Black or African American	4.0%	4.4%	4.6%
Asian	26.9%	26.0%	26.1%
White	58.7%	57.7%	56.0%
Hispanic or Latino	6.9%	7.2%	7.2%
Other [4]	3.4%	4.8%	6.2%
Other diversity groups (US only)			
Veteran [1]	2.0%	1.9%	2.1%
LGBT [2]	4.5%	4.7%	5.0%
Disability [1]	1.3%	1.5%	1.5%

1. EEO categories. Based on voluntary self-identification.
2. Based on voluntary self-identification.
3. All client-facing partners, associate partners, and other senior firm leaders.
4. Other includes two or more races, American Indian, Hawaiian or Pacific Islander, and those who chose not to report race/ethnicity data.

Data tables

continued

Diversity and inclusion: US workforce, continued

	2018	2019	2020
Managers (US only)			
Race/ethnicity (US only) [1]			
Black or African American	2.7%	2.9%	3.0%
Asian	28.8%	27.8%	28.2%
White	60.7%	59.2%	58.3%
Hispanic or Latino	5.5%	5.7%	5.2%
Other [4]	2.3%	4.4%	5.3%
Leadership (US only) [1, 3]			
Black or African American	1.6%	1.7%	2.0%
Asian	27.0%	26.7%	27.3%
White	62.8%	62.6%	61.3%
Hispanic or Latino	4.0%	4.3%	4.4%
Other [4]	4.4%	4.7%	5.2%

Diversity and inclusion: US workforce (new hires)

	2018	2019	2020
Number of new hires (US only)	1,887	1,776	1,491
Race/ethnicity (US only) [1]			
Black or African American	5.4%	6.0%	6.1%
Asian	29.2%	26.1%	31.1%
White	53.1%	52.5%	45.8%
Hispanic or Latino	7.6%	7.7%	6.6%
Other [4]	4.8%	7.7%	10.3%
Other diversity groups (US only)			
Veteran [1]	3.4%	3.1%	4.1%
LGBT [2]	5.6%	6.0%	6.5%
Disability [1]	1.6%	1.8%	1.1%

1. EEO categories. Based on voluntary self-identification.
2. Based on voluntary self-identification.
3. All client-facing partners, associate partners, and other senior firm leaders.
4. Other includes two or more races, American Indian, Hawaiian or Pacific Islander, and those who chose not to report race/ethnicity data.

Data tables

continued

Environmental sustainability

	2017	2018	2019	2020
Emissions (thousand tCO_2e)[1]				
Total GHG emissions (market-based)	780	787	743	223
Total GHG emissions (location-based)	779	812	764	238
Net GHG emissions [2]	0	0	0	0
Scope 1	16	16	15	12
Scope 2 (market-based)	29	5	3	3
Scope 2 (location-based)	28	26	23	17
Scope 3 (market-based)	735	767	725	208
Scope 3 (location-based)	735	770	726	209
Intensity (market-based GHG emissions per capita)	0.0295	0.0264	0.0238	0.0070
Percent reduction in market-based GHG emissions versus 2017				
Scopes 1 and 2	-	54%	60%	67%
Scope 3	-	(4%)	(1%)	72%
Energy and electricity consumption				
Total, Energy consumed (MWh)	-	119,085	119,267	95,791
Total, Consumption of fuel (MWh)	-	56,717	55,480	45,624
Total, Consumption of purchased or acquired electricity (MWh)[3]	-	53,180	54,095	40,651
Total, Consumption of purchased or acquired heat (MWh)	-	9,188	9,693	9,516
Percent, Consumption of renewable electricity	-	86.7%	94.9%	95.0%

1. Externally assured under ISO 14064-3.
2. Verified by South Pole, closely aligned to PAS-2060. 2017-20 market-based carbon footprint fully offset.
3. Purchased or acquired electricity excludes electricity generated through backup gen-sets on-site (included in consumption of fuel).

Data tables

continued

Supplier sustainability and diversity

	2018	2019	2020
Screening of new suppliers			
Percent, New suppliers screened on environmental criteria[1]	100%[2]	100%	100%
Percent, New suppliers screened for social criteria[1]	100%[2]	100%	100%
Training			
Percent, Procurement team colleagues who have received specialized training on sustainable procurement, risk, and ethics[2]	-	-	100%

Human rights

	2018	2019	2020
Training			
Percent, Employees required to participate in learning related to human rights issues (eg, diversity, anti-discrimination) [3]	100%	100%	100%

Data privacy and security

	2018	2019	2020
Training			
Percent, Employees completing information security training (data-privacy principles, data-protection practices, and cybersecurity)	99%	99%	99%

Ethics

	2018	2019	2020
Training			
Percent, Employees required to participate in policy certification	100%	100%	100%

1. New suppliers expected to adhere to Code of Conduct.
2. Introduced in 2020.
3. Addresses topics such as client selection, personal conduct. We don't have an hours breakdown specifically focused on human rights.

Data tables

continued

Community engagement

	2018	2019	2020
Number, Nonprofit organizations supported (pro bono, board service, volunteering)	600+	600+	600+
Percent, Regions participating (pro bono, charitable giving, volunteering, board service)	83%	83%	100%
Spend on social responsibility initiatives	-	-	$150M
Hours dedicated to social responsibility initiatives	-	125,000	222,000

Employee development

	2018	2019	2020
Percent, FTEs with access to medical benefits[1]	100%	100%	100%
Percent, Colleagues receiving annual performance reviews	100%	100%	100%
Percent, Colleagues with access to personalized career plan	100%	100%	100%
Percent, FTEs who have access to career- or skills-related training	100%	100%	100%
Average hours, Training per year per consultant (centrally provided training), in person and digital	46	47	43
Average hours, Training per year per internal staff (centrally provided training), in person and digital	10	14	18

1. All (100%) of FTEs have access to relevant benefits according to their location, regional regulations, role, and other factors.

GHG reporting methodology

Our greenhouse gas (GHG) emissions are calculated in line with the GHG Protocol Corporate Standard, covering material emission sources across Scopes 1, 2, and 3.

Scope 1 emissions include all direct GHG emissions, such as fugitive emissions and those from combustion in owned or controlled boilers, diesel backup generators, and vehicles; Scope 2 covers indirect GHG emissions from the generation of purchased electricity, heat, or steam; and Scope 3 encompasses other indirect emissions, such as those from business travel, upstream emissions from purchased fuels and electricity (for example, well-to-tank emissions, transmission, and distribution losses), and emissions related to purchased goods, vehicles not owned or controlled, outsourced activities, and waste disposal.

In 2020, we included several new emission sources for the first time, including home energy use (to reflect the pandemic-related shift to remote work), and cloud computing—both in Scope 3.

Our methodology follows best practices, such as using scientifically robust and up-to-date emission factors and including a radiative forcing index of 1.9 for air travel. Our reporting covers all material emission sources and complies with the criteria of South Pole's Climate Neutral Company label. Our GHG footprint was independently verified under the ISO 14064-3 standard.

Scope 1 and 2 emissions are calculated using survey data covering 97 percent of our offices. When data were missing, estimates were used. Scope 3 emissions are mainly calculated based on mileage (air travel and ground transportation), stay duration (hotels), energy consumption (upstream emissions from purchased fuels and electricity), spend (purchased goods and outsourced activities), industry benchmarks (waste disposal), and usage data (cloud computing).

Market-based and location-based reporting

The table below provides an overview of our GHG footprint using both a market- and location-based approach. The market-based figures reflect our procurement choices, such as renewable-energy purchases via contractual mechanisms, whereas the location-based figures reflect the average carbon intensity of the grids where our energy consumption occurs.

GHG emissions (thousand tCO_2e)

	Market-based			Location-based		
	2018	2019	2020	2018	2019	2020
Scope 1: Direct GHG emissions	15.7	14.7	11.6	15.7	14.7	11.6
Scope 2: Energy indirect GHG emissions	5.1	3.4	3.2	26.4	22.9	17.1
Scope 3: Other indirect GHG emissions	766.7	724.8	207.8	769.6	726.2	209.3
Total GHG emissions	787.5	742.9	222.5	811.7	763.8	238.0

Note: Figures may not sum to total, because of rounding.

Learn more online at:
mckinsey.com/about-us/social-responsibility

We welcome your comments and questions regarding this report. Please contact us at:
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